



Daily Report

China

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General

Li Daoyu Urges UN Contribution to Development

OW0110193992 Beijing XINHUA in English
1925 GMT 1 Oct 92

[Text] United Nations, October 1 (XINHUA)—China today called on the United Nations to make important contribution to promoting international economic cooperation, in particular, the development of developing countries.

Addressing the 16th foreign ministerial meeting of the Group of 77, Li Daoyu, China's permanent representative to the United Nations, said a shared and strong appeal from the people of developing countries was that U.N. "should give the settlement of the question of development the same urgency and importance as it does to the settlement of the question of peace."

China was invited to the meeting with the status of observer.

Ambassador Li noted that since the last foreign ministerial meeting of the group, the international situation has witnessed tremendous changes, however, the ending of the old pattern has not brought tranquility to the world or faster economic development to developing countries.

While expressing regret and worrying over the power politics and hegemonism characterized by the strong lording it over the weak, the rich oppressing the poor and the big bullying the small that still exist, Li said the phenomena of the ever-worsening inequity are far from being removed and development of the numerous developing countries is yet to receive its due attention.

Criticizing the developed countries on their policies towards the developing ones, Li said they have formulated more discriminatory trade policies and are also unwilling to fulfil their commitments to financial resources for development or undertake any new commitment. They "have imposed harsher political conditionality on development assistance," he added.

The Chinese ambassador said that developing countries as a whole are still faced with increasing economic difficulties and poverty. They are being increasingly marginalized, and the prospects for their economic growth and development become grimmer.

So, while calling for a favorable external environment for development of these countries, Li said, "we developing countries should endeavour to urge the international community to remove the existing phenomena of inequity in the international economic system and establish a new type of relationship of international cooperation."

According to the ambassador, in such relationship,

—The right of all countries to choose independently their road of development and economic modality should be fully respected;

—Developing countries should enjoy fully their right to participate in the international economic affairs and decision-making process and their interests and needs should be taken into full consideration;

—Developed countries should fulfill their commitments in various fields and refrain from introducing any political condition in their assistance to developing countries;

—And the North-South dialogue and cooperation should be strengthened and necessary reform and readjustment should be carried out in such fields as commodity, trade, debt, money and finance.

On the UN role in this aspect, Li continued, the developing countries should make concerted efforts in urging the organization to live up to people's expectation, seize the opportunity to strengthen genuinely its role through its on-going restructuring and revitalization, and enhance its responsiveness to the developmental needs, objectives and priorities of developing countries so as to facilitate the healthy development of the world economy and common prosperity.

While praising the Group of 77 for its nonpareil role in promoting the international economic cooperation and especially the economic growth and development of developing countries, the ambassador said it will have a more powerful and important part in the multipolar world.

Li, speaking highly of the cooperation between China and the group, said the invitation of China as an observer at this meeting marks a new historical stage in the cooperation between the two sides.

The Chinese representative also expressed his thanks, on behalf of China, to the current meeting, which is to make a decision to welcome China to join the Global System on Trade Preference among developing countries (GSTP) and to its suggestion that the GSTP negotiating committee give favorable consideration to the matter.

He said China, as a member of the developing countries, has been active in applying for GSTP membership and supported its negotiations. "I believe that admitting China into the system will be conducive to cooperation between China and other developing countries," Li noted, while expressing his hope for an early settlement of the matter.

Trade Representative on 'Transparency Mechanism'

OW3009182092 Beijing XINHUA in English
1753 GMT 30 Sep 92

[Text] Geneva, September 30 (XINHUA)—A Chinese delegate called here on Wednesday for transparency mechanisms against trade protectionism worldwide.

"At present, due to the general lack of transparency mechanism in the trade policies of various countries,

especially the developed countries, there is a deluge of all sorts of trade protectionist measures in the world," said the delegate.

Speaking at the first part of the 39th session of the Trade and Development Board (TDB) of the United Nations Conference on Trade and Development (UNCTAD), Zhang Kening, the Chinese deputy representative, described the set-up of the mechanisms as "urgent matter."

He noted that such mechanisms will enable the governments and its public and also other countries to have access to the real-time information on its industrial and trade policies.

Thus, they will be in a better position to evaluate the merits and viable economic policies, he added.

"These can play an important role in promoting the elimination of trade protectionist measures as well as in enhancing industrial restructuring," Zhang said.

Though developing countries have made a lot of efforts in liberalizing their trade policies, the developed countries have greatly increased their protectionism measures, severely hampering the exports of the developing countries.

Referring to the Uruguay Round trade negotiations under the General Agreement on Tariffs and Trade (GATT), he stressed that failure or success of the round will bear far-reaching impact on the pattern of world trade in the future, especially in terms of removing trade protectionism.

He hoped that the new round of negotiations will produce results satisfactory to all the parties.

Meanwhile, he complained that Chinese exports are also subject to various protectionist measures in their access to the markets of the developed countries such as quarantine measures.

Despite that, China has adopted a number of practical steps to reform the trading system, lowering 225 kinds of tariffs and abolishing import regulating tax.

"We are also ready to make further concessions in the light of China's actual level of economic development in the tariff-related negotiations in order to restore China's seat as a contracting party of the GATT," said Zhang.

Li Ruihuan Presents Awards to Overseas Writers

OW0210132392 Beijing XINHUA Domestic Service in Chinese 0853 GMT 29 Sep 92

[By reporter Li Zhongcheng (2621 1813 6134)]

[Excerpts] Beijing, 29 Sep (XINHUA)—The first Xu Xiake Awards for Chinese Travel Literature from Taiwan, Hong Kong, Macao, and overseas was held at the Great Hall of the People in Beijing today. Li Ruihuan, member of the Standing Committee of the

Political Bureau of the CPC Central Committee; Qian Weichang and Cheng Siyuan, vice chairmen of the National Committee of the Chinese People's Political Consultative Conference; and other leading comrades attended the award ceremony and presented awards to 10 recipients. [passage omitted]

According to a briefing, this is first time that Mainland China has presented awards to Chinese writers from other countries and regions in the world. The award has not only revealed the mainland's new outlook since the introduction of reform and opening up, but has also helped promote exchanges between writers at home and abroad, as well as the development of Chinese literature. Moreover, it has exerted a positive influence on deepening the appreciation of and identifying Chinese cultural heritage among compatriots of Taiwan, Hong Kong and Macao, overseas Chinese, and foreigners of Chinese origin.

The award was cosponsored by the China Association for Overseas Exchanges, the "FOUR SEAS—CHINESE LITERATURE FROM TAIWAN, HONG KONG, MACAO AND OVERSEAS" published by the All-China Federation of Literary and Art Circles, the Singapore Association of Literature and Art, and Hong Kong's China Travel Publishing House and Hongyun International Transportation Service Company. The award ceremony was attended by some 200 writers from the United States, Hong Kong, and Beijing; officials of press units; and Chinese literary critics from Hong Kong, Taiwan and overseas.

United States & Canada

Senate Fails To Override Veto on MFN Status

OW0110193692 Beijing XINHUA in English 1904 GMT 1 Oct 92

[Text] Washington, October 1 (XINHUA)—The United States Senate today failed to override President George Bush's veto of a legislation to slap conditions on the renewal of Most Favored Nation (MFN) trade status to China in the 1993-94 year.

The veto was sustained by 59 votes in favor of the bill and 40 votes against it. A two thirds majority of senate's votes is required to override the president's veto.

Bush vetoed on September 28 the bill on conditional renewal of China's MFN trade status passed by the senate and house last month. The house overrode the veto by 345-74 yesterday, but Bush's veto is still intact since the senate failed to turn it down.

The bill passed by the Congress would require that China make progress related to the so-called issues of "human rights, weapons proliferation and trade practices" to be eligible for continued MFN status.

China has maintained that the MFN treatment is by no means a favor that the United States unilaterally grants

to any foreign country. It is a reciprocal measure arranged for the mutual benefit to both sides.

In China's view, the attachment of conditions is entirely unacceptable and amounts in fact to a withdrawal of the status and suspension of normal trade between the two countries.

Explaining why he rejected the bill, Bush said that "Americans too would be affected. This year our exports to China will climb to about eight billion dollars. China's retaliation for the loss of MFN would cost us this growing market and thousands of American jobs."

In the debate before today's vote, Senate minority leader Bob Dole said that "the three most important reasons to sustain the president's veto are jobs, jobs, and jobs."

"Denying MFN means a trade war with China," Dole said, "we can pretend it won't happen, we can fantasize it won't happen, but it will."

The legislation on conditional renewal of MFN trade status to China "is totally out of step with the rest of the world," said Max Baucus, Democratic senator from Montana.

He cited the WALL STREET JOURNAL estimates that restrictions on MFN trade status to China could cost the United States 100,000 export related jobs. The U.S. action "would prompt swift retaliation against U.S. exports. The Chinese will cut off purchases of planes from Washington, autos from Michigan, and fertilizers from Louisiana," Baucus said.

Spokesman: Renewal 'Beneficial'

OW0210073992 Beijing XINHUA in English
0730 GMT 2 Oct 92

[Text] Beijing, October 2 (XINHUA)—A Foreign Ministry spokesman said here today that unconditional renewal of China's Most Favored Nation status (MFN) by the United States is beneficial to the development of Sino-U.S. economic cooperation and trade, and therefore is in the interest of both sides.

He made the statement when asked to comment on the U.S. Senate voting Thursday which failed to override President Bush's veto on a proposal of conditional renewal of MFN to China.

The spokesman added that China has on many occasions reiterated its position on this issue.

Article Views Loss of MFN Status as 'Unlikely'

HK0110134992 Hong Kong WEN WEI PO in Chinese
1 Oct 92 p 2

["Special article" by Washington special correspondent Chu Hsing-fu (2612 1630 4395): "Will U.S. Congress Abolish PRC's Most-Favored-Nation Status?"]

[Text] Washington, 30 Sep (WEN WEI PO)—While campaigning in the southern city of Dallas on the evening of the 28th, U.S. President George Bush vetoed a bill attaching conditions to the extension of most-favored-nation [MFN] status to China. This is the third time since he assumed office that Bush has vetoed a Congressional bill extending conditional MFN status to China. If Congress is unable to reverse Bush's veto, then China's MFN status will take effect in July next year.

Abolition of MFN Status Will Lead to the Loss of a Huge Market

The question of China's MFN status is deliberated by Congress every year. This resolution, which was vetoed by Bush, was earlier adopted by the House of Representatives by a vote of 339 to 62. Following a debate on the issue on 14 September, the Senate introduced amendments to the House bill and approved it through a verbal vote. On 22 September, the amended Senate resolution was approved by the House of Representatives and submitted to President Bush for his signature that very day.

In exercising his veto power over the Congressional bill extending conditional MFN status to China, President Bush reiterated in his written statement that restricting China's trade with the United States will not only hurt ordinary Chinese people and be detrimental to reform and opening up in China, but would also be detrimental to the economic interests of the United States; if the United States abolishes (extends conditionally) China's MFN status, then the United States will lose a potentially huge market in China and cause hundreds of thousands of Americans to lose their jobs.

Congress Will Find it Hard to Reverse Bush's Veto

The U.S. Congress goes into recess on 5 October, with many representatives returning to their respective constituencies to campaign for reelection, and newly elected representatives to Congress will assume office on 3 January next year. If Congress decides to reverse Bush's veto, it can do so before the adjournment on 5 October. Otherwise, all resolutions presented for adoption this year will become invalid. The media here maintains that if everything remains quiet in the next few days, then it will be very difficult for the U.S. Congress to reverse Bush's decision. Sources here cited the following principal reasons:

1. China is the United States' fastest growing market. In the debate held last 14 September, a Republican senator pointed out that the United States exported \$600 million worth of wheat, \$500 million worth of civilian aircraft, \$1 billion worth of computers, and one-sixth of its chemical fertilizers to China annually. Furthermore, the United States has investments of \$4 billion in China. If China's MFN status is abolished, some 2 million workers in the United States will lose their jobs as the big China market will be taken over by Japan and the European countries.

2. MFN status is an effective leverage that the United States uses to exert influence on China. If the United States abolishes MFN status for China, then it will not be able to exert influence on China on issues like human rights and weapons sale, and thus, will not be able to press China into moving in a positive direction. In addition, it will also be difficult for the United States to secure China's cooperation in international organizations nor call on the latter's support on issues like Cambodia and the Korean Peninsula.

3. The U.S. presidential election campaign is presently at a critical stage. If Bush's veto is reversed by Congress, it will be a major political setback to Bush, while Democratic presidential candidate Bill Clinton could use the occasion to attack the failure of Bush's foreign policies and gain political points.

House of Representatives Will Reverse Veto

Looking at the current situation, it stands to reason that the House of Representatives will reverse Bush's veto for the following principal reasons: The House of Representatives involves more people and more diverse views, and as the White House has given up lobbying the House of Representatives, most Republican congressmen have followed the Democrats. Republican Congressional analyst (Dave Selfstan) [dai wei 2071 4850 xi er fu si tan 6007 1422 1715 2448 0982] maintains that Bush is extending China's MFN status primarily out of political considerations as he hopes to use it to influence China; however, from an economic point of view, an unconditional extension is the same as conditional extension to the United States, because the latter always suffers a deficit in its trade with China, with trade deficits amounting to \$10 billion every year. Many Republican congressmen believe that, even if the United States abolishes China's MFN status, it will still be able to exert political and economic pressures on China through Japan and the European countries. They also maintain that the abolition of China's MFN status will not have much impact on Bush's reelection campaign. Consequently, the House of Representatives will definitely reverse Bush's veto power by an overwhelming majority.

But the situation in the Senate is different from that in the House of Representatives. The Senate has always been a major target of White House lobbying efforts. Last year, Bush received 38 votes in support of his stance on the question of extending China's MFN status. This year, he only needs to secure the support of 34 senators in order to uphold his presidential veto powers. The Republicans occupy 43 seats in the Senate.

So far, Bush has already vetoed some 10 to 20 resolutions passed by Congress, and Congress has been unable to reverse any of Bush's vetos.

Republican Party has to Secure 34 Yes Votes

If the Senate also votes against an extension of MFN status to China by a two-thirds majority, then some mid-western states in the United States will not be able

to export wheat to China, while some western states will not be able to export aircraft to China. This will not only produce adverse effects to Bush's reelection bid, but will also deal a blow to Republican senators from the affected states as they will lose the support of voters in their reelection bids. Hence, whatever happens, Republican senators have to secure 34 yes votes, or, like Bush, will face a disadvantaged situation in the elections.

Hence, it can be said that unless trade retaliation, counter retaliation, or other actions affecting Sino-U.S. relations materialize before Congress adjourns on 5 October, then the Republican majority in the U.S. Senate will take into consideration the overall situation and are unlikely to harm President Bush at this critical juncture. Otherwise, these senators will also suffer.

U.S. 'F-16 Virus' 'Seriously Damages' Relations

HK0210072192 Hong Kong TZU CHING in Chinese
No 10, 5 Oct 92 pp 22-23

[Article by Chin Ming (6855 6900): "The 'F-16 Virus' Created by the Bush Administration Seriously Damages Sino-U.S. Relations"]

[Text] President Bush declared his decision to sell 150 F-16 fighter jets to Taiwan Province of China on 2 September, and it is said that one of the "reasons" for this action is to promote "relations between China and the United States." Viewing with a cold eye, this author feels that at the crucial juncture when the international situation is profoundly changing, the United States is faced with lots of difficulties in internal and foreign affairs, and the Sino-U.S. relationship is anything but splendid, the U.S. action is tantamount to injecting a terrible political virus—let us call it "F-16 virus" for the moment—into the Sino-U.S. relationship which has an impact on the overall situation of the world. The injection of this virus not only seriously damages relations between China and the United States, but will have a far-reaching influence on the international strategic situation as a whole.

F-16—Is It a Trump Card for the Election Campaign?

The Bush administration did not deny that the F-16 sale was primarily aimed at winning votes in the general election. As viewed by this author, the outcome will very probably be just the opposite. In fact, Bush has misinterpreted voter aspirations. Voter dissatisfaction with him precisely lies in his failure to make economic achievements so that the lives of the ordinary people cannot be further improved. How can the sick horse—the U.S. economy—be rescued with several thousand job opportunities and a few billion U.S. dollars obtained from the arms sales? It is unlikely that the ordinary American people are unable to understand this. Moreover, the American people certainly know that "peacetime dividends" are not derived from arms sales. In the contemporary world, if its economy cannot be boosted, and its "war industrial complex," which is swallowing

U.S. economic capabilities, has not been transformed, how can it talk about the "new ideas after the cold war era," "peacetime dividends," and competition with big powers? The Bush administration's decision to sell F-16 fighter jets to Taiwan signified that President Bush had negated his China policy of safeguarding the Sino-U.S. relationship and his own historical position in this relationship. He rashly abandoned the international agreement signed by a president as head of state and allowed the so-called "Taiwan Relations Act," which is based only on domestic law, to oppose the international obligation which he committed himself to. How can such action be trusted by the international community?

Taiwan—Is It a U.S. "Aircraft Carrier That Will Never Sink"?

It is said that "Taiwan's security being threatened" is another reason for U.S. decision to sell F-16 fighters to Taiwan. Some officials in the White House, the Pentagon, and Foggy Bottom said that China developed advanced fighter jets and bought several planes from Russia in recent years so that China's air force had greatly surpassed Taiwan's, and that "once China has air domination, it will certainly have control of the sea; if it achieves control of both, China's army will be able to swagger onto Taiwan Island. Therefore, in order to maintain an even military strength across the strait and the stability of situation in the region, the U.S. administration thought it necessary to strengthen Taiwan's military forces." Such remarks are simply barefaced nonsense. Is it really terrific for Taiwan to be equipped with a few U.S. planes? And is it desperately disastrous for China to have a couple of Russia-made aircraft? Have cross-strait relations, developing as they were in recent years, actually improved or deteriorated? Has the situation actually become relaxed or strained? Is the move to arm Taiwan with F-16 fighter jets at this moment aimed at easing or creating tension? To put it bluntly, it is still a U.S. intention to take Taiwan as an aircraft carrier that will never sink to cope with mainland China and countries in Asia-Pacific region. The situation has changed, and the U.S. attempt to take Taiwan as a bridgehead to practice its former Asia-Pacific strategy and serve its outmoded global strategy will, perhaps, only end in lifting a rock to have its own toes squashed! His excellency Deng Xiaoping has more than once talked penetratingly with American friends, advising the United States to see clearly the strategic situation and step down from the "aircraft carrier that will never sink." Only by so doing can the United States have a presentable strategy. One should ask: How long will the United States' Taiwan aircraft carrier dream last?

Selling F-16 Fighters to Taiwan—Is It in Keeping With the "17 August Communiqué"?

What makes the people of the world rock with laughter is that U.S. officials even asserted that selling F-16 fighter jets to Taiwan did not contravene the "17 August

Communiqué." Such a move, which confused right with wrong and scorned international law, is, indeed, rarely seen in civilized society!

A few U.S. officials went so far as to say that the "17 August Communiqué" was just an agreement between governments and therefore "had a certain limit of restraint." The remarks are simply not tenable in legal principle, not to mention that there are loopholes everywhere in them. First, according to international practice, all documents signed and endorsed by heads of states should have legal effect, so the three communiqués between China and the United States are entirely of an international treaty character. Second, a country must not refuse to carry out an international treaty it has signed under the pretext of domestic legislation, which has been an international customary law set up since ancient times. It is completely groundless to negate the legal effect of the "17 August Communiqué." The joint communiqué explicitly writes: "The U.S. Administration declares that it will not strive to pursue a long-term policy of selling weapons to Taiwan, that the weapons it sells Taiwan will not exceed such a level, in terms of property and quantity, as supplied in the few years immediately after the establishment of diplomatic relations between China and the United States, and that it is prepared to incrementally reduce the sale of weapons to Taiwan and lead to a final solution after a period of time." They are clearly written in black and white and, no matter how the United States quibbles, it is of no avail.

The Situation Is Miscalculated, and U.S. Prospects in Foreign Affairs Are Worth Worrying About

As a matter of fact, the United States is not unknown for its lack of justice, and might have made some estimations as to the consequences of the event. Nonetheless, thinking that it has a few cards in hand, it is, after all, capable of punishing China, who cannot help but swallow the bitter fruit. It even reckoned that "the ultimate loss of China was greater than that of the United States." What on earth is the motive of its acting arbitrarily regardless of the consequences? The United States has all along boasted itself to be a "democratic state," which regards making irresponsible comments on other countries as a common occurrence, and there are plenty of "strategists" who view the world with colored spectacles. It is not difficult to discover that the American judgment of things is none other than this: The Soviet Union is finished, Europe has not formed a union, Japan cannot say "no" yet, and China is nothing difficult. But this author takes an entirely different view from the American Rambos! It goes without saying that China has never feared any intimidation and, in an overall and long-term point of view, it deserves careful calculation as to who suffers most in the end. So far as the United States is concerned, it had several staunch allies under the previous bipolar pattern, but today the United States has quite a few adversaries who want to say or already said "no" to it. Among them, some have recuperated and built up energy, and others have no misgivings in

attacking, censuring, and lecturing it. All this stems from the fact that the United States does not want to get along with others with feelings of justice and understanding rather than others being unwilling to make friends with it. Let us think about the "Draft Outline of a Defense Program," and have a look at its powerful and unconstrained posture, who comes and goes solitarily [tian ma xing kong du lai du wang de jia shi 1131 7456 5887 4500 3747 0171 3747 1766 4104 2665 0528]. Is this the manner of the "new international order?" Why on earth is the present-day United States privileged to seek hegemony in the world? Even in the Asia-Pacific region, a number of newly developing forces are emerging, and a new pattern is taking shape. Under this situation, the United States still makes enemies with one, creates frictions with another, and falls foul of all the people under the sun. Can this be the new U.S. Asia-Pacific strategy? Looking round the entire world, people cannot but feel profound doubts about the future of U.S. foreign policy.

Sino-U.S. Relationship Faces a Turning Point

The Bush administration took such a serious step to deteriorate and disrupt relations between the two countries and pushed the Sino-U.S. relationship toward a dangerous turning point. Now, people can clearly note that in a period of time to come, the conflict between China and the United States will be aggravated to a certain extent, and the relations between the two countries will probably deteriorate and even become antagonistic. The United States may make a fuss by taking advantage of such issues as most-favored-nation status in an attempt to compel China to submit and give in. In the final analysis, however, the Sino-U.S. relationship has its own logic, and the international situation is complicated and ever-changing; even though the United States wants to dominate the world, its ability falls short of its wishes; on the principled issues which involve state sovereignty, China has never submitted to any pressure; and the confrontation with China does not conform to the U.S. long-term geopolitical and geoeconomic interests. At this critical juncture, we would like to put in a few words in idiomatic English to Bush administration: "I bet you are wrong!"

Bush, Clinton Close To Final Debate Format

OW0210071692 Beijing XINHUA in English
0652 GMT 2 Oct 92

[Text] Washington, October 1 (XINHUA)—Top aides to U.S. President George Bush and Democratic presidential nominee Bill Clinton have made "substantial progress" in negotiating a deal on presidential debates, a senior Republican official said tonight.

"We have made substantial progress on the basic terms of an agreement, including the number of debates, dates and the format," Robert Teeter, the Bush campaign chairman, told reporters after intense negotiations with Clinton's campaign chief, Mickey Kantor, in Washington.

Teeter said he expected to complete the negotiations on Friday and make a joint announcement on Saturday morning giving details of the number of debates, location, time and sponsors.

Kantor said he was "encouraged" by the progress.

The talks between the two campaigns began last night after Bush proposed on Tuesday four presidential debates, one on each Sunday evening from October 11 to November 3. Two will be with a panel of journalists and two with a single moderator.

UPI [United Press International] has quoted a democratic official as saying the two camps have agreed to three presidential debates and one vice-presidential debate.

The president previously rejected the format of three debates with a single moderator—on September 22, October 4, and October 15—proposed by the bipartisan commission on presidential debates.

While top aides were working on an agreement on the debates, Bush and Clinton agreed to a temporary truce in their war of words over the debates. Before the truce, Clinton accused Bush of ducking away from the debate and the President in turn attacked his rival for "waffling" and "missing in action."

U.S. Warship 'Accidentally' Hits Turkish Ship

OW0210043592 Beijing XINHUA in English
0349 GMT 2 Oct 92

[Text] Washington, October 1 (XINHUA)—The Pentagon said this evening the U.S. aircraft carrier Saratoga accidentally hit a Turkish destroyer with two missiles during a NATO exercise today in the eastern Mediterranean.

Maj. Katherine Ingram, a spokesman of the Pentagon, said the accident occurred about midnight local time. "It was an accidental launching," he [as received] said, "both ships were taking part in a NATO exercise."

The U.S. Cable News Network reported this evening that at least two or three Turkish were killed in the accident and dozens wounded.

The incident occurred in Aegean Sea between Greece and Turkey. The U.S. carrier's two Sea Sparrow missiles hit the Turkish ship, which was about three miles away from the carrier.

U.S. Navy officials have been dispatched to the Turkish ship to assess damages and injuries, U.S. Navy officials said.

In November 1989, the U.S. Navy ordered an unprecedented two-day suspension of normal operations after 10 accidents at sea and in the air within a 10-day period. Ten Navy personnel were killed and at least 71 injured in that series of accidents.

U.S. Navy, Marine Corps Adopt New Strategy

OW0210064392 Beijing XINHUA in English
0547 GMT 2 Oct 92

[Text] Washington, October 1 (XINHUA)—The U.S. Navy and Marine Corps have formally dropped a cold war strategy of preparing for all-out war with the Soviets on the high seas and shifted their focus to potential regional conflicts in coastal areas, the Pentagon said today.

Pete Williams, spokesman for the Defense Department, said the U.S. Navy secretary, chief of naval operations, and Marine Corps commandant had signed a new Navy-Marine corps strategy.

"It is developed in response to the challenges of today's world," Williams said. "It shifts the focus from a global threat to one of regional challenges and opportunities, and concentrates on warfare near land and on maneuver from the sea."

"The new direction is a fundamental shift from open ocean war fighting on the sea to joint operations from the sea," he said.

The position paper, entitled "From the Sea," is the culmination of a two-year effort inside the Navy and Marine Corps to re-align their thinking.

The Navy "white paper," released Thursday, said the U.S. Navy, while retaining "nuclear deterrence through nuclear ballistic submarines," will focus anew on areas given less attention in the past, for example, sealift of supplies, peace-keeping missions, communications capabilities and intelligence operations.

That means an equally important shift in budget priorities from focusing on high-speed attack submarines and other high-technology warships to less flashy types of ships, such as minesweepers and amphibious craft, said the paper "From the Sea."

The moves are significant because they reflect a major change from a go-it-alone ethic to "joint thinking," which is supposed to mean increased cooperation among U.S. military branches, the paper added.

Williams said to ensure the ideas were implemented, the Navy was also setting up a new "naval doctrine command," which would develop ideas expressed in the new strategy into a doctrine that will guide the service in warfare.

The strategy is an expression of the fact that the U.S. Navy is no longer expanding toward the 600-ship goal espoused by former Navy Secretary John Lehman, and instead, is being forced to husband its resources amid leaner budget times.

For example, the Navy is beginning to "tailor" its battle groups for certain missions and not always require an aircraft carrier to be present.

While the Bush administration wants to retain a fleet of 12 aircraft carriers, Democratic presidential candidate Bill Clinton has said he favors only 10 such warships.

Discrimination Said 'Reality' for Blacks in U.S.

HK0210020892 Beijing RENMIN RIBAO in Chinese
21 Sep 92 p 5

["Human Rights Forum" by Zhang Hongyi (1728 1347 3015): "Martin Luther King's 'Dream' and the Reality of American Blacks"]

[Text] Engels pointed out: "It is significant of the specifically bourgeois character of these human rights that the American Constitution, the first to recognize the rights of man, in the same breath confirms the slavery of the colored races existing in America: class privileges are proscribed, race privileges sanctioned." ("Selected Works of Marx and Engels" Volume No.3, pp 145-146) The so-called "slavery of the colored races" refers to the slavery of the American blacks. This system was proclaimed to have abolished during the U.S. North-South War in the 1860's, but so far, the American blacks still suffer racial discrimination and suppression and are subject to encroachment on their human rights in many respects, be it direct or indirect, tangible or intangible. A racial-discrimination-free society which renowned U.S. black leader Martin Luther King longed for is still a visionary "dream."

In 1963, when the "Emancipation Proclamation" of black slaves signed by Lincoln was in the centenary year, Martin Luther King pointed out in his famous speech—"My Dream"—with grief and indignation: A century ago, "the 'Emancipation Proclamation' was signed, and the promulgation of this important decree was like a gigantic lighthouse illuminating the hopes of tens of millions of black slaves who were on the verge of death under the circumstances of unfair treatment. However, a century later, the tragic fact which we must face is that blacks are still deprived of freedom. A century later, blacks are still living miserably. A century later, blacks are living in an impoverished isolated island in the boundless ocean of material prosperity. A century later, blacks are still moaning at the lower strata of the U.S. society, and find that he has become a waif on his own land." (Stephen B. Oates: "Sounding a Bugle Horn—the Life of Martin Luther King Jr.," New York, 1982, p.252).

Nearly 30 years have elapsed since Martin Luther King delivered his speech. Within this period, Martin Luther King himself and many American blacks were killed for fighting for minimum human rights. Impelled by the situation, U.S. rulers could not help but make concessions. However, no administration was willing to really solve the problem of racial discrimination, some even showed signs of serious retrogression. We can get a rough idea of the inferior status of the blacks today from the following aspects.

(1) Extremely High Rates of Unemployment and Impoverishment

According to statistics, "since the end of the WWII, with the exception of a few years, the unemployment rate of the blacks was at least double that of the whites. Moreover, the discrepancy between the unemployment rates of blacks and whites in the 1980's were even greater."

The average income of blacks is also far less than that of whites. "In the early 1970's, family income of blacks was 61 percent of that of whites. This was greater than the figure of 57 percent in 1945 at the end of the WWII, which implied that family income of the blacks had increased four percentage points in 25 years. According to this growth rate, blacks can only catch up with whites by 2275, which means that more than three centuries are needed. This is very unreliable "progress", which is absolutely unacceptable." ("A History of the Blacks' Struggle," pp 596-597). As a matter of fact, in the 1980's, even this growth rate could not be kept. According to statistics, the average family income of blacks had been reduced from approximately 60 percent of that of whites in the early 1970's to 56 percent in the 1980's.

Unemployment and low income gives rise to a very high rate of poverty. The U.S. Bureau of the Census pointed out in September 1991: "The number of the poor in the United States last year has increased to 33.6 million, which implies that 13.5 percent of U.S. citizens are living below the poverty line." Among them, the "rate of impoverished blacks has reached 32 percent, which is the highest, whereas that of the whites is 11 percent."

(2) Extremely High Incidence of Disease and Mortality

According to statistics, "in the United States, the probability of blacks dying of heart attack is 68 percent greater than that of whites, and for blacks dying of cancer 71 percent greater, cirrhosis 126 percent greater, and diabetes 86 percent greater. Twenty-two percent of blacks do not receive any Medicare." ("Paris Racing Pictorial" weekly, 16 May 1991) Infant mortality has increased to a startling extent, and the mortality of black infants, a year old or less, is approximately 100-120 percent higher than that of white infants. People commented: "The mortality of black infants is more or less the same as that of some Third World countries. Overall, the mortality of blacks before the age of 45 is 47 percent higher than that of whites...Inequality is a murderer. The colored races are killed by this murderer." (Guy Thomas: "U.S. Race Relations From 1980's to 1990's")

(3) Adverse Conditions of Education

"Education must first begin with family education, parents should care for children, teach them, and subject them to discipline. However, it is difficult to carry out family education in black families living in slums. Six in every 10 black families have only mothers to manage household affairs. Some children have never seen their fathers. A mother said, 'I must work and have little time to attend to my family. Children must learn how to live

independently.' In consequence, children do whatever they like and form gangs." The LOS ANGELES TIMES has reported that some youth frequently buy drugs from drug traffickers. For many years, sociologist Telly William has been keeping track of six young blacks to try to comprehend their fate. He said, "Many of them who are engaging in drug trafficking want to show to their kith and kin that they are capable of scoring achievements."

The National Scientific Research Committee said in a 1990 report that 84 percent of the U.S. youth at present have middle school diplomas, whereas 40 percent of black children have not even completed their studies at junior schools, and up to 30 percent of blacks are illiterate. The U.S. Education Department said that only one in every eight blacks over the age of 20 can calculate the amount of change after buying two things.

(4) Incidents of Discriminating Against and Persecuting Blacks Are Widely Seen

As a U.S. scholar pointed out: "In the United States, racist practices have long flung the Declaration of Liberation aside and are always tormenting American blacks, including conventionalized and individual actions which are not so easily discerned and which have perpetuated this kind of racial hierarchy..." The author cited numerous things which happened from 1981 to 1988—such as intimidating, beating up, and slaughtering blacks, and willfully assaulting them with cars, as well as burning houses and uttering death threats to the blacks who have moved into white residential quarters—and finally arrived at a conclusion: "Racial discrimination and racism is evidently lingering in the white society." (Marcus D. Pohlman: "Conservative Politics of the American Blacks") Since the 1980's, not only activities organized by the KKK party and other racist terrorist groups have run rampant, but also a number of neo-Nazi groups advocating white supremacy, such as "Order" and "Silent Brothers," have been resurrected. In some respects, the suffering of blacks is being intensified.

In reality, blacks today are still subject to every kind of discrimination before the so-called "equal to all" U.S. law. According to a report published by Amnesty International on 8 October 1991: "In defiance of the international norm, the United States has sentenced more juvenile delinquents to death than almost any other countries. The United States has sentenced more than 90 teen-agers ages 15 to 17 to death since the 1970's." "All juvenile delinquents sentenced to death were blacks, and all were sentenced to death by juries of whites." On 29 April 1992, the Los Angeles District Court acquitted four white policemen who had beaten up Rodney King, a black driver, thus causing an outcry among several thousand of blacks and whites there, which had repercussions over violent struggles of the blacks in New York, San Francisco, Atlanta, Philadelphia, and many other cities across the country. This incident proves once again that the U.S. authorities themselves are the defender of racism. Civil right leader Jessie Jackson pointed out that four policemen in Los Angeles being

acquitted of beating Rodney King indicated that the United States was in no sense impartial to blacks. He said, "this verdict indicates that the judicial system of this country has collapsed. It does not serve blacks any more."

Northeast Asia

Indemnity Claims During Emperor's Visit Discouraged

HK0210051992 Hong Kong MING PAO in Chinese
2 Oct 92 p 6

[“Special dispatch”: “In a Red-Letterheaded Document Relayed to Army-Level Cadres, the CPC Warns Against Claiming Indemnity Against Japan”]

[Text] A reliable source in Beijing disclosed that CPC central authorities had circulated a document among cadres at the departmental and army level on the eve of the 1 October National Day, warning them not to raise, encourage others to raise, and support any attempt to claim indemnity against Japan as the Japanese emperor is about to visit China. Noting that some people are covertly campaigning for something else by making use of this sensitive issue, the document urges cadres to guard against this. At the same time, the document has also mentioned the 4 June incident, urging people to keep alert against the “bourgeois liberalization which is currently gaining ground.”

The informed source said: For the moment, this red-letterheaded document has only been circulated down to the army level for the military and to the departmental level for local organizations. In the main, the document was to evaluate the recent development of the political situation up to the 1 October National Day. It has specifically discussed the issue of a “non-governmental campaign to claim indemnity” on the eve of the Japanese emperor’s visit to China.

With regard to the “indemnity claim” issue, the document notes that as the Japanese emperor is going to visit China, some members of the public are planning to make use of this opportunity to raise the “war indemnity” issue. The central authorities are not intending to claim indemnity because “a conclusion was already reached” on this. In addition, an “indemnity claim” is “a rather sensitive issue” in Sino-Japanese relations. What is more, it is necessary to guard against a possible development that “some people are campaigning for something else,” and it is very likely that some of them “are nursing an ulterior motive.” Meanwhile, the press has reported that a “China Non-Governmental Committee for Claiming Indemnity Against Japan” is about to be established, representing some 300,000 citizens.

The informed source also said that the central document has related the issue of “claiming indemnity” from the Japanese emperor with the “political contretemps that took place on 4 June 1989.” The document demands

that high-ranking cadres working with party, government, and army organizations bear in mind the lesson of the 4 June 1989 political contretemps. Referring to the current political situation at home, the document points out that “bourgeois liberalization is gaining ground again,” and it urges people to keep alert against this.

The Japanese emperor is to visit Beijing late this month. The public in mainland China has repeatedly spontaneously demanded that the Japanese emperor, during his visit to China, openly apologize for the crimes the Japanese army had committed in the aggression against China during World War II. The public also demands that Japan pay war indemnity. The spokesman for the Chinese Ministry of Foreign Affairs issued a statement on 11 March this year, saying that civilian victims of the Japan-China war can lodge petition directly to Japan to claim indemnity. On 1 April this year, before his visit to Japan, CPC General Secretary Jiang Zemin also elaborated the Chinese Government’s stance: the state has given up its right to claim war reparations with Japan, but no restriction is to be imposed on any civilian attempt to claim war indemnity.

Before that, during the Fourth Session of the Seventh National People’s Congress [NPC] last year, Tong Zeng, a lecturer of the Law Department at Beijing Chemical Industrial Managerial Cadres Training College, together with a few individuals, distributed among NPC deputies a 16-page “letter of opinion” demanding “war indemnity” from Japan. During the fifth session of the Seventh NPC last March, Guizhou NPC deputy Wang Lusheng and Anhui NPC deputy Wang Gong separately submitted bills calling for claiming war indemnity from Japan, and their bills were accepted and listed as official bills to be discussed during the NPC session.

On 24 September, some students from Beijing University, the People’s University of China, and Beijing Normal University attempted to hand in a letter to the Japanese embassy in China, demanding that the Japanese emperor, during his visit to China, openly apologize for war crimes, unconditionally offer indemnity, and withdraw from the Diaoyutai Islands. But they were stopped by armed police. (For further details, please refer to the main news page, MING PAO, 25 September)

Almost at the same time, Chinese Vice Premier Wu Xueqian stressed at the airport before leaving for a visit to Japan that the Chinese Government is not going to link the Japanese emperor’s visit to China with the claim for war reparations.

All the major mass media and cultural organizations in Beijing have also been instructed to “put off” publication and broadcast of any articles and works about the crimes Japan committed during the aggressive war against China, in order to “cultivate a favorable atmosphere” to usher in the 20th anniversary of normalization of relations between China and Japan and the Japanese emperor’s visit to China.

Wu Bangguo at Meeting Marking Japanese Ties*OW0110132992 Shanghai People's Radio Network
in Mandarin 2300 GMT 28 Sep 92*

[From the "Morning News" program]

[Text] On 28 September, Wu Bangguo, secretary of the Shanghai Municipal CPC Committee and honorary chairman of the Shanghai Association for Friendship With Foreign Countries, addressed a Shanghai meeting to mark the 20th anniversary of the normalization of diplomatic relations between China and Japan. He pointed out: A new pattern of all-round opening, with the development of Pudong as the centerpiece, is taking shape in Shanghai. Shanghai people warmly welcome the visit of people from around the world to Shanghai. They also welcome more foreign entrepreneurs to display their entrepreneurial skills in Shanghai.

Wu Bangguo said: The realization of the normalization of diplomatic relations between China and Japan has turned a new page in the friendly relations between the two countries. The exchanges and cooperation between Shanghai and Japan have increased and been enhanced over the last 20 years. Shanghai has established friendly ties with Yokohama and Osaka and carried out extensive exchanges and cooperation with them in various areas. In the area of economic cooperation with Shanghai, Japan has invested in 284 projects with a total investment of \$703 million by the end of this August, which represented 12 percent and 14 percent, respectively, in terms of foreign investment projects and investment in Shanghai; Japan is ranked second in foreign investment in Shanghai. Permanent Japanese organizations involved in finance, trade, and news media in Shanghai total 165. On behalf of the Shanghai municipal government and Shanghai people, Wu Bangguo expressed thanks to Japanese friends who have long been involved in promoting Sino-Japanese friendship and friendly cooperation and exchanges between Shanghai and Japan.

The meeting was sponsored by the Shanghai Association for Friendship With Foreign Countries. Yoshiro Hasumi, Japanese consul general in Shanghai, and Nagano Kanemura, vice chairman of the Japan-China Friendship Society in Osaka, spoke at the meeting. Some 150 people including (Zhu Fuqing), Zhao Qizheng, Sun Guizhang, Zhang Ruifang, and representatives from Japanese circles attended the meeting.

Agreements With ROK on Trade, Investment*SK0110141192 Beijing Radio Beijing in Korean
1100 GMT 30 Sep 92*

[By Pae Chae-sin]

[Text] The PRC and ROK Governments signed four agreements in Beijing on 30 September, including the agreement on investment guarantees; the agreement on establishing a joint committee on economy, trade, and

technology; the agreement on trade; and the agreement on science and technology. PRC President Yang Shangkun and ROK President No Tae-u participated in the signing ceremony. After the signing ceremony, President Yang Shangkun exchanged farewells with President No Tae-u.

President Yang Shangkun said that President No Tae-u's visit achieved smooth success. He added that although it has been only one month since the establishment of PRC-ROK diplomatic relations, the separation which lasted for dozens of years was resolved in one month by the two sides' joint efforts.

President No Tae-u said that such success was achieved in one month and that greater progress will be made in one year. He added that this is a result of good-neighborly and friendly relations between the two countries.

President Yang Shangkun said that PRC-ROK relations will be further developed day by day. He added that he wishes the ROK prosperity and South Koreans an improved standard of living.

President No Tae-u said that although his visit was short, he achieved smooth success. He thanked the Chinese Government and its people again for their warm welcome. President No Tae-u asked President Yang Shangkun to convey his warm greetings to Mr. Deng Xiaoping.

President No Tae-u quoted an old proverb saying "Seeing is believing" and again asked President Yang Shangkun to visit the ROK in the near future.

After bidding farewell, President Yang Shangkun gave President No Tae-u a photograph album, as a memento, showing President No Tae-u's activities during his visit in Beijing.

President No Tae-u left Beijing by a special plane on the morning of 30 September for an inspection tour of Shanghai.

'Roundup' on No Tae-u's Visit Promoting Ties*OW0210052292 Beijing Radio Beijing in
Mandarin to Asia 0900 GMT 1 Oct 92*

["Roundup" by unidentified station reporter on No Tae-u's visit to China; from the "Report on Current Events" program: "Visit That Promoted Cooperation Between South Korea and China"]

[Text] South Korean President No Tae-u paid a state visit to China from 27-30 September at the invitation of President Yang Shangkun. The first South Korean president to visit China, President No Tae-u was accorded a solemn welcome and a warm reception by the Chinese Government and people. The press communique issued at the end of his visit pointed out: President No Tae-u's

successful visit to China will further promote the development of good neighborly and cooperative relations between the two countries.

During the visit, Chinese leaders Jiang Zemin, Yang Shangkun, and Li Peng met and held talks with No Tae-u separately. They briefed each other on the political and economic situation in their respective countries and discussed the question of further promoting bilateral friendly and cooperative relations. They also exchanged wide-ranging views on the international situation and the regional situation.

On bilateral relations, the leaders of the two countries spoke highly of the establishment of diplomatic relations between China and South Korea, agreeing that putting an end to the abnormal relations of the past between the two countries and developing good-neighborly and friendly cooperative relations on the basis of the commune on the establishment of diplomatic relations conform to the interests of the peoples of the two countries and also conform to the development trend of the current international situation.

The leaders of the two countries expressed satisfaction with the agreements on trade; investment protection; establishment of a joint economic, trade, and technology committee; and scientific and technological cooperation. As pointed out by President No Tae-u during his press conference in Beijing, the economies of South Korea and China are complementary and mutually beneficial, and the two countries should learn from each other's strong points and enhance cooperation.

Concerning the international situation, the leaders of the two countries unanimously agreed that the relaxation of the tension in the Korean Peninsula not only conforms to the interests of all Korean people as a whole but is also conducive to peace and stability in Northeast Asia and even in Asia as a whole and that the process of this relaxation should continue to develop. The Chinese leaders reiterated that China has consistently supported the relaxation of tension on the Korean Peninsula, supported contacts and dialogues between the north and south of Korea, and supported efforts to promote a self-determined and peaceful reunification of Korea, and hoped that the north and south sides of Korea could solve their problems through dialogue and cooperation.

China and South Korea are close neighbors. Historically, the two countries have had close contacts, and in many ways their cultural traditions are similar. Because of historical reasons, the two countries have been estranged for more than 40 years. It is gratifying that China and South Korea normalized their relations following the change in the international situation and the relaxation of the tension in the Korean peninsula. Thus, the relations between the two countries have entered a new period.

President No Tae-u's visit to China, which brought about the first meeting between Chinese and South Korean leaders, will enhance mutual understanding and

advance the all-around development of relations between the two countries on the basis of the Five Principles of Peaceful Coexistence. During President No Tae-u's visit to China, personnel of the economic and trade circles of the two countries met to discuss ways to seek common prosperity. It can be predicted that through President No Tae-u's visit, not only will China and South Korea become very good economic and trade partners, but exchanges in science, technology, culture, sports, and arts will increase.

Comparison on Yang Shangkun, No Tae-u Talks

OW2809171092

Beijing XINHUA Domestic Service in Chinese at 0810 GMT on 28 September carries a 933-character report on PRC President Yang Shangkun and ROK President No Tae-u holding talks in Beijing on the morning of 28 September.

The Chinese version has been compared to the XINHUA English version published in the 28 September China DAILY REPORT, beginning on page 10, under the subhead "Holds 'Formal Talks,'" and found to be identical except for the following variations:

Page 11, left-hand column, third paragraph from the bottom, only sentence, reads: ...their respective nations, and they also exchanged views on international issues of mutual concern. [new paragraph]

No invited Yang.... (adding phrase)

Same page, right-hand column, first paragraph, from end of only sentence, reads: ...attended the talks. [new paragraph]

Prior to the talks, President Yang Shangkun officiated at a ceremony in honor of President No Tae-u. In the company of President Yang, President No Tae-u reviewed the honor guards of the three services of the Chinese People's Liberation Army.

Chen Muhua, vice chairman of the National People's Congress Standing Committee; and Cheng Siyuan, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, attended the welcoming ceremony. [enditem] (adding additional paragraphs)

Comparison on Li Peng, No Tae-u Talks

OW2909130292

Beijing XINHUA Domestic Service in Chinese at 0932 GMT on 29 September carries a report on Premier Li Peng's meeting with ROK's No Tae-u in Beijing on 29 September.

The Chinese version has been compared to the XINHUA English version published in the 29 September China DAILY REPORT, page 11, under the subhead "Discusses Relations With Li Peng," and found to be identical except for the following variations:

Right-hand column, second paragraph, only sentence, reads: ...of mutual concern. [new paragraph]

Qian Qichen, state councillor and foreign minister; Li Lanqing, minister of foreign economic relations and trade and chairman of the Chinese Reception Committee; Qi Huanyuan, director of the State Council's General Office of External Affairs; and Zhang Tingyan, Chinese ambassador to South Korea, took part in the meeting.

Attending the meeting from the Korean side were Foreign Minister Yi Sang-ok, Trade and Industry Minister Han Pong-su, and ROK Ambassador to China No Chae-won. [new paragraph]

After the meeting.... (picking up last paragraph, supplying additional material)

Comparison on Jiang Zemin Meeting No Tae-u

OW2909160792

Beijing XINHUA Domestic Service in Chinese at 1257 GMT on 29 September carries a 580-character report on CPC General Secretary Jiang Zemin meeting with ROK President No Tae-u in Beijing on 29 September.

The XINHUA Chinese version has been compared to the XINHUA English version published in the 29 September China DAILY REPORT, page 13, under the subhead "Jiang Welcomes Visit," and found to be identical except for the following variations:

Right-hand column, penultimate paragraph, only sentence reads: ...the president said. [new paragraph]

Attending the meeting on the Korean side were Yi Sang-ok, minister of foreign affairs; Han Pong-su, minister of trade and industry; and Kim Chin-hyon, minister of science and technology.

Also present were Qian Qichen, state councillor and minister of foreign affairs; Cheng Siyuan, vice chairman of the National Committee of the Chinese People's Political Consultative Conference; and Li Lanqing, head of the reception committee of the Chinese Government and minister of foreign economic relations and trade. [enditem] (replacing last paragraph with new paragraphs)

Comparison of China-ROK Press Communique

OW3009030592

Beijing XINHUA Domestic Service in Chinese at 0139 GMT on 30 September carries the text of the PRC-ROK press communique on No Tae-u's visit to China.

The XINHUA Chinese version has been compared to the XINHUA English version published in the 30 September China DAILY REPORT, beginning on page nine, under the subhead "Issues Press Communique," and found to be identical. The following are vernacular and STC's for key words:

Paragraph three, first to second sentence, reads: ...Korea in a friendly [you hao di 0645 1170 4104] atmosphere. (providing vernacular, STC's for "friendly")

Same paragraph, sentence three, reads: ...further their bilateral friendly [you hao 0645 1170] relations and cooperation. (providing vernacular, STC's for "friendly")

Paragraph four, second sentence, reads: ...of good-neighborly and amicable [you hao 0645 1170] relations and cooperation. (providing vernacular, STC's for "amicable")

Comparison on ROK President's 'Successful' Visit

OW3009060792

Beijing XINHUA Domestic Service in Chinese at 0415 GMT on 30 September carries a 570-character report on No Tae-u's "successful" visit to China.

The XINHUA Chinese version has been compared to the XINHUA English version published in the 30 September China DAILY REPORT, beginning on page 10, under the subhead "Yang Shangkun on 'Successful' Visit," and found to be identical except for the following variations:

Page 11, left-hand column, last paragraph reads: ...of the ROK. [new paragraph]

During their stay in Beijing, President and Mrs. No Tae-u received two big portraits painted by Professor Yao Youduo of the Central Institute of Fine Arts. The two half-length portraits were painted from pictures of President and Mrs. No Tae-u. [end item] (adding new paragraph)

The vernacular and STC's for key words are provided as follows:

Page 10, right-hand column, paragraph one, only sentence reads: ...Beijing has been "fruitful and successful" [yuan man de cheng gong de 0955 3341 4104 2052 0501 4104]. (providing vernacular, STC's for "fruitful and successful")

Page 11, paragraph eight, only sentence reads: ...the people the warm reception [sheng qing jie dai 4141 1906 2234 1769] that he has.... (providing vernacular, STC's for "warm reception")

Southeast Asia & Pacific

Sihanouk Receiving 'Medical Treatment' in Beijing

HK0210032192 Hong Kong AFP in English
0300 GMT 2 Oct 92

[Text] Beijing, Oct 2 (AFP)—Cambodian leader Prince Norodom Sihanouk requires two or three weeks' medical

treatment in Beijing, a senior member of his staff said here Friday, but denied that the prince had undergone an operation.

Diplomatic sources in Phnom Penh said late Thursday that the prince, a former ruler of Cambodia who now chairs the four-party Supreme National Council, had been operated on for a throat condition called parotitis.

Prince Sihanouk has had to cancel planned visits to France and to New York, where he was to have addressed the United Nations General Assembly, because of his treatment.

"His Highness will stay two or three weeks in Beijing," the official said. "He can not go to Paris because he must have medical treatment and rest. But it is not serious."

The official confirmed that the prince, who will be 70 at the end of this month, was suffering from an "inflammation of the throat" but denied that he had been operated on.

Parotitis is an inflammation of the parotid gland, which produces saliva.

The sources in Phnom Penh, quoting cables received from Beijing, said the prince had planned three days for his recovery, but due to an apparent complication involving the glands in his throat, he must stay in hospital for up to three weeks.

The prince was to have met President Francois Mitterrand in Paris during his visit October 2 to 6. He was also going to New York to address the U.N. General Assembly and have private meetings with U.N. Secretary General Butrus Butrus-Ghali about the stalled peace agreement ending Cambodia's civil war.

The Marxist Khmer Rouge, one of the four factions in Cambodia, have so far refused to comply with U.N. peacekeepers who have been sent to Cambodia to implement the peace accords.

Prince Sihanouk's illness threw into question a meeting that was to have taken place in New York on October 7 of the leaders of the four previously warring factions in an effort to end the stalemate.

Political & Social

Congress To Adopt 'Deng's Political Line'

HK0210134992 Beijing ZHONGGUO XINWEN SHE
in English 0931 GMT 2 Oct 92

[Text] Hong Kong, October 2 (CNS)—A signed article in the October issue of *The Mirror* [CHING PAO] soon to be published reports that on the eve of the 14th Congress of the Communist Party of China (CPC), the focus of attention in the upsurge triggered by the "Deng whirlwind" has recently switched to organizational measures to ensure the carrying out of Deng's political line, including the coming changes of party and government leadership at various levels and the major reform to be taking place in the labour and personnel system.

Referring to the election of deputies to the 14th Congress of the CPC and the next Central Committee of the CPC, the article reports that among the leading members of the various provinces, municipalities and autonomous regions, at least one or two will have to keep their post to see to the daily work during the sessions of the 14th Congress and for this reason they have not been elected as deputies to the congress. There were some others who had the qualifications for being a deputy but were not elected due to various reasons. It will not be a surprise if among the new central committee members elected by the coming congress, some are not deputies. What is sure is that among them, the number of those above 70 years of age will be greatly reduced. The 14th Congress, similar to the 13th Congress will also have some veteran statesmen enjoying high prestige attending as specially invited deputies, but the number will be reduced from the previous 61 to fewer than 50. As to the Central Advisory Commission, Mr. Deng Xiaoping proposed ten years ago that it should exist for only two terms. It is expected that the 14th Congress will realize such a proposal and close the chapter for the history of the commission.

The article says that any change in the top echelon of the CPC during the 14th Congress will be reflected in the 8th National People's Congress as well as the People's Political Consultative Conference next year. As the principles and outline of reform on party, government and military institutions and personnel will be adopted by the 14th Congress, among the ministries and commissions under the State Council, those having dual functions as administrative organ and enterprise will be cut off, merged or will greatly shrink in size by separation of government function from that of enterprise with a big number of government employees going as staff of various enterprises. The Guangdong Provincial Government has already taken the lead by cutting off the three major departments under it, namely the Department of Commerce, the Grain Bureau and the Supply and Marketing Cooperative and turned them into enterprise groups dealing with commerce, grain, supply and marketing cooperative and food and petroleum in addition to grain storage.

The article points out that as major reforms of party and government institutions as well as of the personnel system of enterprises involve the very interests of cadres at various levels and the staff and workers of enterprises, the concrete programmes of implementation will be promulgated one by one after the 14th Congress.

The article reports that the leadership of the CPC also advocated that the leadership at various levels should strengthen its ability in leading economic work by taking in cadres who are politically strong and familiar with such work. It is certain that the policy-making body of the CPC after the 14th Congress will be reinforced by cadres familiar with economy, upholding the basic line with a pioneering spirit in reform and openness and with publicly acknowledged achievements. As to the composition of the new leadership of the National People's Congress, the People's Political Consultative Conference, the State Council and the Military Commission, the picture will not be clear before the policy decision-making top echelon will have been elected by the First Plenary Session of the Central Committee of the 14th Congress of the CPC.

The article says that, regarding the composition of the new Standing Committee of the Politburo of the CPC, there are a number of editions or predictions being circulated by the foreign media, some even with ranking order, but most of this is no more than the result of gossip and guessing, especially as regards the so-called "princes party" as a third force which is purely groundless speculation. It is clear that among the deputies to the 14th Congress, only a few are so-called "princes", namely the offspring of past and present political leaders, and there is no political liaison among them. The most important thing is that the great majority of new rising stars in the political arena have no such background.

Politburo To Expand; CMC To Name New Leaders

HK0210100292 Hong Kong SOUTH CHINA
MORNING POST in English 2 Oct 92 pp 1, 13

[Report by Willy Wo-lap Lam]

[Text] The 14th congress of the Chinese Communist Party will elect one of its largest-ever politburos, where the regions and the military will have strong representation. The Central Military Commission (CMC), due to be convened immediately after the congress, will appoint the army's new generation of leaders.

Chinese sources in Beijing said, barring last-minute changes, the new politburo would consist of about 21 members—seven more than the existing one. They said the new composition stemmed from patriarch Mr Deng Xiaoping's desire for elevating reformist cadres, specially those from the regions and the military, his long-time power bases. Moreover, the large politburo reflects Mr Deng's concern for promoting collective leadership after the party elders have left the scene.

The sources said there would likely be five representatives from the localities: the party secretaries of the cities of Beijing, Tianjin, Shanghai, Guangdong province, and another province in central or western China. The party bosses of Tianjin, Shanghai, and Guangdong are respectively Mr Tan Shaowen, Mr Wu Bangguo, and Mr Xie Fei. Both the head of the General Office of the Central Committee, Mr Wen Jiabao, and Beijing mayor Mr Chen Xitong are front-runners to succeed the retiring Beijing party secretary, Mr Li Ximing, a noted Maoist.

Analysts said the possible promotion of Mr Xie reflected the importance that Mr Deng and the reformist faction had attached to the "vanguard province." Being beneficiaries of the open door policy, regional cadres have a vested interest in pushing Mr Deng's fast-paced reforms.

Three military representatives are expected to join the politburo, ensuring that the Army, which is still controlled by Mr Deng, will have an effective voice over policy. They are the Vice-Chairman of the CMC, General Liu Huaqing; CMC Secretary-General, General Yang Baibing; and the Chief of the General Staff, General Chi Haotian.

In the existing politburo, there are only two "military members"—Defence Minister General Qin Jiwei and President and CMC First Vice-Chairman Mr Yang Shangkun—both of whom are retiring. About 13 seats are reserved for party and government officials, most of whom can be classified as reformists or ideologically neutral technocrats.

Reformists who will either retain their politburo memberships or be inducted into the body include vice-premiers Mr Tian Jiyun and Mr Zhu Rongji; security chief Mr Qiao Shi; chief of ideology and propaganda Mr Li Ruihuan; and United Front chief Mr Ding Guangen.

The new politburo will have about six moderate technocrats: party General Secretary Mr Jiang Zemin, education chief Mr Li Tie-ying, vice-premier Mr Zou Jiahua, former Tibet party boss Mr Hu Jintao, science and technology chief Mr Song Jian and Foreign Minister Mr Qian Qichen. Two solid reformists—Vice-Minister of Electronics Mr Hu Qili and Taiwan affairs chief Mr Wang Zhaoguo—are said to have reasonably good chances of making the supreme body. The only politburo member with a well-established conservative slant is Prime Minister Mr Li Peng.

Sources close to the military said the CMC would hold an enlarged meeting immediately after the 14th congress closes on or around October 20. The sources said while Mr Jiang would retain his CMC chairmanship, First Vice-Chairman Mr Yang, who holds effective power, would retire. Mr Yang's place will be taken over by General Liu, a Deng protege who has long been in charge of the modernisation of armaments. General Yang will be promoted CMC Vice-Chairman in addition to keeping his position of Secretary-General.

The sources added the CMC would likely have two new members: the head of the Commission of Science, Technology and Industry for National Defence, General Ding Henggao, and the Deputy Chief of General Staff General Xu Xin. General Xu is considered a front-runner to succeed General Qin as Defence Minister. The elevation of General Ding, the son-in-law of the late Marshal Nie Rong-Zhen, reflects the importance the party has attached to building up its arsenals.

The CMC will also discuss personnel changes at both headquarters and in the regions. For example, General Yang will likely shed his post of chief of the General Political Department (GPD). General Li Jinai, a deputy and protege of General Yang, is considered a candidate for the GPD position.

Major items on the agenda of the CMC include the gradual phasing out of the seven military regions in the interest of promoting centralised decision-making and the more efficient deployment of troops. The dissolution of the regional commands, which will take place over most of the decade, will also help in the trimming of personnel.

The top brass will also discuss the army's policy towards the United States in the wake of Washington's promise to sell F-16 fighters to Taiwan. For example, the Army and their front companies will decrease their dependence on the U.S. by importing more hi-tech equipment from Europe and Japan.

Jiang Zemin To Expound on Market Economy in Report

HK0210044592 Hong Kong WEN WEI PO in Chinese
2 Oct 92 p 2

[By staff reporter Chen Chien-ping (7115 1696 1627): "Jiang Zemin Will Expound on the Establishment of a Market Economy in His Report at the 14th CPC National Congress"]

[Text] Beijing, 1 Oct (WEN WEI PO)—An authoritative source here quoted Jiang Zemin, general secretary of the CPC Central Committee, as saying that only by adopting a market economy can there be fair competition. In the political report to the 14th CPC National Congress, there will be a new development in theory, that is, establishing a new structure of a socialist market economy.

The source said that when talking about the political report to the 14th CPC National Congress some days ago, Jiang Zemin mainly expounded on the issue of establishing a new structure of a socialist market economy. Jiang Zemin held that the gradual transition from a centralized planned economy to a socialist market economy is a very complicated course, in which many problems may emerge. The problems in the following four fields at least merit people's attention and should be solved.

Jiang Zemin said: 1) Economic legislation. This is a major task in legal construction. It is a soft environment and one of the weakest links at present. 2) The change of government functions. To grant the enterprises real decisionmaking power in operation, it is necessary to separate government administration from enterprise management. This work is now being carried out. 3) The development of tertiary industry. At present, the enterprise has become a society which takes care of everything and in which five persons share the meals of three. One reason is that our tertiary industry is still undeveloped. Statistical data on the economic development of various countries show that they are all developing from the order of agriculture, industry, and tertiary industry to the order of tertiary industry, industry, and agriculture. Vigorously developing tertiary industry is a big problem facing us. 4) The building of clean government. This is a problem about which the masses have comparatively stronger complaints. Under the situation of unequal competition, which is a result of the current structure, there are inevitably phenomena such as indiscriminately giving instructions, trying to establish relationships with powerful persons, and entering by the back door, and the phenomenon of corruption. Only by adopting a market economy can there be fair competition.

Jiang Zemin said: At present, we may say that in implementing Comrade Deng Xiaoping's south China tour speeches, the situation is excellent, but there are also many problems. All localities are now considering increasing their speed of economic development. The coastal areas want to develop further, and the inland areas are unwilling to lag behind. Some areas have even set their development rates at high levels well over 30 percent. Jiang Zemin believed that communications and transportation are the bottleneck of high-speed economic development. He disclosed that the central authorities have considered many factors and, in the political report to the 14th CPC National Congress, the rate of economic development will be set at 9 percent.

Jiang Zemin said the superiority of socialism is expressed by public ownership. Public ownership means everyone has his share. But how can this be reflected? Jiang Zemin held that in fact, no one is responsible for public property at present. Therefore, it is necessary to find a method of reflecting responsibility under public ownership. Referring to the existing diverse economic structures, Jiang Zemin said it seems there are more flexible and more energetic structures and ownerships now.

Reform, Orthodoxy Mix Seen

OW0210084992 Tokyo KYODO in English 0826 GMT 2 Oct 92

[Text] Beijing, Oct. 2 KYODO—Delegates to this month's 14th Communist Party congress will endorse a political work report preaching reformist economics and socialist ideology but also urging caution against a foreign-inspired "peaceful evolution."

Reliable sources said Friday [2 October] the 10,000-character report is a mixture of economic pragmatism and orthodox socialist propaganda.

Observers say it is the compromise result of months of wrangling between reformers and conservatives within the party hierarchy.

"The reformers have got their market economics and the conservatives have got their political entrenchment," one observer said.

Even small-scale political reforms like those suggested at the party's 13th congress have been dropped this time, the sources said.

In October 1987, former party leader Zhao Ziyang delivered a report which called for the separation of party and government and the introduction of socialist democracy.

Current party General Secretary Jiang Zemin will deliver his report on October 12, the date the 14th congress opens.

Political observers said that while the economic reformist call to arms comes as no great surprise, the reference to peaceful evolution confirms the party has no similar plans to embrace political reform.

"It suggests that conservative forces within the leadership still control the ideological reins," they said.

The term "peaceful evolution" refers to subtle efforts by Western countries to move China from its socialist path and take the road to capitalism.

The struggle against peaceful evolution will be a long and hard one which senior cadres must fight to the end, the report says.

Socialist modernization will take many generations to fully develop, it says, urging all to take up the struggle.

And while the report's market-economic scriptures contain many capitalist overtones, there are repeated assurances that China's policies are indeed socialist, the sources said.

Capitalist economies use a degree of state planning just as socialist economies may also employ market mechanisms, the report states.

One cannot judge whether an economy is capitalist or socialist simply by its emphasis on markets or planning, it says.

As such, the report's economic content largely mirrors speeches given by senior leader Deng Xiaoping during his visit to southern China last spring, analysts say.

Deng said China should accelerate economic reforms and expand economic links with the outside world.

The complete report, which is far shorter than the one in 1987, has four sections covering recent experiences and

the lessons of 14 years of reform, economics, foreign policy, and party organization, the sources said.

The latter section echoes Deng's call to reinvigorate the party with young cadres.

The selection of a large number of young cadres to enter all leadership levels is an urgent priority, the report says.

But it cautions that suitable candidates for promotion must be highly revolutionary and possess sufficient political integrity.

The leadership must remain devoted to Marxism and follow the road to socialism with Chinese characteristics, it says.

There are also assurances for veteran cadres that they still have a contribution to make.

"We should give them something worthwhile to do," the report says.

Yang Shangkun, Wang Zhen Greet Firm Inauguration

OW0110144692 Beijing XINHUA Domestic Service in Chinese 0326 GMT 30 Sep 92

[By reporter Hua Guiqin (5478 2710 0530) and correspondent Chen Zhifang (7115 1807 2455)]

[Excerpt] Nanchang, 30 Sep (XINHUA)—The Hongxing Enterprise Group, a large agricultural enterprise specializing in reclaiming and cultivating wasteland arising out of Jiangxi's red-soil barren land, was inaugurated at the Hongxing Reclamation Farm on 28 September. President Yang Shangkun wrote this inscription: "Inherit and Promote the Nanniwan Spirit." Vice President Wang Zhen sent someone to deliver a warm congratulatory letter. He said in the letter: "I sincerely hope that you will unwaveringly uphold the four cardinal principles, persistently pursue reform and openness, enhance economic progress, and wage continuous struggle for the socialist construction and for the great and splendid communist cause!"

Some 35 years ago, several hundred cadres transferred to do manual work in the countryside, demobilized army officers and men, and urban youths came to this red-soil barren hilly areas to diligently do pioneering work, open up and cultivate the area, and forge ahead. Throughout the whole period, Comrade Wang Zhen, who had worked here before, has shown his concern and encouragement to these pioneers. [passage introducing the Hongxing Enterprise Group omitted]

Li Peng Writes Inscription for Village Middle School

OW0210045192 Beijing XINHUA Domestic Service in Chinese 1141 GMT 29 Sep 92

[By reporter Li Chengye (2621 2052 6851)]

[Excerpts] Beijing, 29 Sep (XINHUA)—The Zhongguan Village Middle School in Beijing held a celebration meeting on 28 September to mark the 10th anniversary of its founding. To congratulate the school's educational achievements, Premier Li Peng wrote an inscription for the school and encouraged it to continue to work hard to greet the 21st century with still greater achievements.

Known as China's science and technology town, Zhongguan is a village where high-tech personnel of our country are concentrated. The school was founded in this village in 1982 in the course of reform and opening to the outside world. [passage omitted]

To thank the teachers of the school for the devotion to education, Li Xiannian once wrote a letter to them, encouraging them to continue to work hard. [passage omitted]

Tian Jiyun Addresses Shaanxi Report Meeting

HK2909014392 Xian Shaanxi People's Radio Network in Mandarin 0030 GMT 17 Sep 92

[Text] Tian Jiyun, CPC Central Committee Political Bureau member and State Council vice premier, delivered a speech at a work report meeting held jointly by the Shaanxi Provincial CPC Committee and the Shaanxi Provincial People's Government yesterday morning.

Tian Jiyun pointed out in his speech: Stabilizing agricultural production has remained a major issue. Failure to develop agriculture as the foundation would make the four modernizations impossible. Therefore, we must strive to vigorously develop productive forces by stabilizing agricultural production.

Vice Premier Tian Jiyun made these remarks after listening to some work reports made by Zhang Boxing, Bai Qingcai, Xu Shanlin, and Cui Lintao.

Tian Jiyun noted: At present, Shaanxi is enjoying an excellent economic situation. In particular, since a series of important speeches made by Comrade Deng Xiaoping during his South China tour were relayed, Shaanxi has developed a strong momentum of reform and opening up. Shaanxi has made fresh breakthroughs in all fields. As for its work in the immediate future, Shaanxi should mainly make redoubled efforts to develop productive forces and increase economic efficiency.

Speaking on agricultural production, Tian Jiyun emphatically called for guiding agricultural production with a big agriculture concept, putting an end to single-crop operation, comprehensively developing agriculture, forestry, animal husbandry, sideline production, and fishing, exploring and exploiting new resources while making full use of all the existing resources, and developing agriculture in both depth and breadth with an eye on bringing about a high-yield, high-quality, and highly efficient agriculture, and further improving farm products processing.

Tian Jiyun stated: Shaanxi should also do whatever it can to promote township and town enterprises development as well as other tertiary industries development, narrow the gap between its east and its west, and speed up its agricultural modernization pace.

Tian Jiyun held: Shaanxi's industrial departments should conscientiously implement the PRC Enterprise Law, carry out to the letter all the existing enterprise rules, regulations, and decrees, and give full scope to the market role on the basis of the public ownership system.

As regards circulation, Tian Jiyun said: It would be impossible to invigorate economy in the absence of commercial development, nor would it be possible to develop production in the absence of smooth circulation. Therefore, we must place high on our agenda the task of smoothing out circulation channels.

The work report meeting was attended by all the principal leaders in charge of the provincial party committee, advisory committee, discipline inspection commission, people's congress, government, Chinese People's Political Consultative Conference committee, and military district.

Tian Jiyun Attends Meeting on Zhang He Dispute

OW0110104192 Beijing XINHUA Domestic Service in Chinese 1109 GMT 29 Sep 92

[By reporter Lu Yongjian (7773 3057 1696)]

[Text] Beijing, 29 September (XINHUA)—The State Council held a meeting on coordinating the water affairs of the Zhang He in Beijing today. Li Changan, deputy secretary general of the State Council, chaired the meeting on behalf of the leading comrades of the State Council. Vice Premier Tian Jiyun spoke at the beginning of the meeting. The meeting decided that the Hai He Water Resources Committee of the Ministry of Water Resources be put in charge of the planning, harnessing, work arrangements, and management of the section of the Zhang He between the Houbi hydroelectric power station and the Yuecheng reservoir; and that an organization for managing the upper reaches of the Zhang He be set up under the Hai He Water Resources Committee.

The Zhang He, a tributary of the Hai He, covers Shanxi, Henan and Hebei Provinces. In the river basin, both water resources and cultivated land are deficient. So, different regions there have for a long time contended for water resources and engaged in creating land beside the river. With social and economic development, the contradiction between supply and demand has become more intense. The contention for water resources further intensified late last year and early this year. At dawn on 22 August this year, the main channel of the Hongqi Canal was blown up and its water passage was interrupted for 12 days. A flood caused by the explosion destroyed a large number of buildings and interrupted

land transportation. This shows that the Zhang He water dispute has become too serious to ignore.

At today's meeting, the responsible persons of the State Council ministries and commissions concerned and the water resources departments of Shanxi, Henan and Hebei Provinces and the prefectures (cities) and counties concerned seriously studied the opinions put forward by the Ministry of Water Resources on further settling the Zhang He water dispute. A summary of minutes has been prepared.

The meeting pointed out: To properly handle the water dispute is an important and bounden duty of the governments at all levels. It is necessary to seriously implement relevant State Council documents and the "Agreement on Settling the Zhang He Water Dispute" signed between Hebei and Henan Provinces under the auspices of the Ministry of Water Resources on 13 January this year. All projects and measures prescribed by the agreement should be completed before 15 November this year. After their completion, the provincial governments should report them to the general office of the State Council and have them checked and accepted by the Ministry of Water Resources.

The fundamental way to settle the Zhang He water dispute and make a rational exploitation of the Zhang He water resources is to exercise unified management, use the water in a planned way, and practice economy in water consumption. The meeting decided that the Hai He Water Resources Committee shall take over the management, operation, use, maintenance, and renovation of the following facilities: the diversion dams and check (drainage) gates of the Hongqi Canal, the Yuejin Canal, the Bailing No. 1 and No. 2 Canals, the Dayuefeng Canal, and the Xiaoyuefeng Canal, as well as the check gates on the water-drawing canal of the Shicheng power station and the tail water canal of the Mata power station. The Hai He Water Resources Committee shall work together with the Shanxi, Henan and Hebei provincial authorities to formulate the procedures for the management of the river section, and the procedures will be put into effect after being approved by the Ministry of Water Resources. The Hai He Water Resources Committee shall set up an agency for managing the upper reaches of the Zhang He and put it in charge of river management, implementation of the water diversion plan, and comprehensive development and management of the river basin.

The meeting decided that the agency for managing the upper reaches of the Zhang He shall organize concerted efforts by the counties along the river to harness the Zhang He and develop its water resources in accordance with the approved river harnessing plan. From now on, all new, renovation, and expansion projects for water conservancy and hydroelectric power, regardless of their size, on the section of the Zhang He between the Houbi hydroelectric power station and the Yuecheng reservoir and on all canals for water diversion and control, should be submitted to the agency for managing the upper

reaches of the Zhang He for examination and approval in accordance with stipulated procedures. The state and the Shanxi, Henan and Hebei provincial authorities shall support, on a selective basis, the water conservation projects in the region as well as the projects for transformation of water conservation techniques in areas along such irrigation canals as the Hongqi Canal and the Dayuefeng Canal so as to alleviate water shortage. To develop the economy is the fundamental way to resolve the contradictions in the Zhang He region. So, the provinces along the river should work out relevant plans, and the State Council departments concerned should actively assist them. While keeping to the principle that local economic development is mainly the work of local governments and people, the state will provide support to some projects on a selective basis.

The meeting decided that a Zhang He water affairs coordination group should be formed by the Ministry of Water Resources and the Hebei, Shansi and Henan provincial governments. The group, to be headed by [an official of] the Ministry, is responsible for studying and coordinating important questions concerning the Zhang He water affairs, and for supervising and inspecting the implementation of relevant decisions.

The meeting also decided that while the Ministry of Public Security has made arrangements for the investigation and handling of cases of sabotage of water conservation projects, the departments concerned should pay attention to dealing sternly with the cases according to law. All localities should take effective measures to prevent recurrence of the cases of sabotaging water conservancy projects.

Tian Jiyun Inscribes Name of New College

OW0210034392 Beijing Central People's Radio Network in Mandarin 2230 GMT 29 Sep 92

[From the "News and Press Review" program]

[Text] The Hebei College of Village and Town Enterprises—China's first regular university directly serving village and town enterprises and training specialized personnel for village and town enterprises—was inaugurated on 29 September. The name of the college was written by Tian Jiyun.

Li Tieying Speech at Shandong Education Forum

HK0110083492 Beijing RENMIN RIBAO in Chinese 10 Sep 92 p 3

[Report: "Quickened Educational Development and Reform, Serve Economic Construction, Serve the People—The Main Points of Comrade Li Tieying's Speech at the Seminar on 'Improving Education for the People' (20 June 1992)"]

[Text] The purpose of the current large-scale survey conducted by the State Education Commission on Shandong's education work is to sum up Shandong's educational development and reform experience over the past decade or so and study the question of further developing education and deepening reform. The survey constitutes a practical action of further studying and implementing the spirit of Comrade Xiaoping's talks made during his southern trip and the spirit of the enlarged meeting of the Political Bureau of the CPC Central Committee. The comrades fully affirmed Shandong's education work and summed up some new experience of Shandong and the whole nation. Now I would like express some of my opinions.

I. Further Accelerate Education Reform and Development

China's modernization program and economic structural reform have entered a new stage. China could enter such a new stage thanks to the tremendous achievements made by the people through reform and opening up over the past decade or so. Amid the volatile and turbulent international situation, we should be aware that all countries, in the course of rebuilding their new political and economic order, are striving for a favorable position in the 21st century. For this reason, the decade of the 1990's will be very important. Under such a situation, Comrade Xiaoping called for emancipating the mind, accelerating the pace of reform and opening up, expediting economic development, and scaling new economic heights at intervals of a few years. Practice over the past six months has proved that the people of the whole country are spiritually inspired and ideologically active and all fronts are studying the problems of reform and development. Under such a situation, what are the tasks of the education front? A number of vice governors attending the seminar have focused their discussions on this question. The purpose of the seminar is to strive for a major development in education research in the 1990's based on reform over the years. We should make a careful analysis to see whether education should develop rapidly, whether it can develop rapidly, and how to develop it rapidly. On the understanding of this question, we have gained a lot of enlightenment from Shandong's experience. We have proposed that education should be placed in a strategic position, that education is fundamental to the building of the country, and that the provinces and agriculture should be boosted with science and education. On the one hand, it indicates our understanding of the importance of education; and on the other hand, it reflects the fact that our education is rather backward. Thanks to reform and opening up over the past decade or so, facts have enabled many people to understand that development of education must be accelerated. The conclusion drawn is: Education must be rapidly developed and it can be rapidly developed. The development of the nationwide education cause over the past decade or so can prove this point. We should properly sum up the experience in this regard.

What is the socialist education system with Chinese characteristics? It is the education system which can better serve economic construction and the people. What is the objective criterion for testing the principles of education development? It is the adaptability of education to economic construction and social development. Education can find a path for its development only in the course of serving economic construction. Naturally, education reform and development is a big topic which requires continued research and practice.

II. Sum Up Shandong's Experience, Do a Good Job of Education

Based on summing up Shandong's practical experience, we proposed the principle of "relying on the people to run education and improving education for the people," which indicated the national conditions of an economically backward country like ours in running education as well as the people's vital interests. As the comrades from Jiangsu said, to "tell the people to run education," it is necessary to first increase the understanding of education of the people and the leading cadres at all levels. The shift from education run by the government to education run by the people and society actually constitutes a big reform. We regard it as the first part of an essay. We will need decades to continue the essay. To revitalize the nation, make the country prosperous and strong, and make the people affluent and happy, we should continue along this road. To ensure that this road will be followed for a long time to come, we must change the system of merely relying on the state in running education to one relying on the people, including the state, in running education.

In my opinion, all localities should draw on Shandong's experience in the following:

First, closely integrate education with economic development. To "boost Shandong with science and education," in my opinion, will only be possible when Shandong has attached importance to science and education. As Comrade Jiang Chunyun said, education should be moved from a rear to a forward position. Education is fundamental to the building of the country and is the foundation for the revitalization of the state and the prosperity of the nation. If the foundation is not enhanced, how can we revitalize the country?

Second, party and government leadership should attach great importance to education work. When I was in Shandong in 1989, Comrade Zhao Zhihao said that as governor, he would firmly grasp education. Comrade Jiang Chunyun also discussed the question of education with me. Comrade Xiaoping said that a leader who ignores education is short-sighted and immature and he will not be able to lead the modernization program. Leading cadres at all levels should grasp education work as they do economic work. Principal party and government leaders should personally show concern for education and grasp education. This is very important. The leaders of all countries have realized that a backward

education by the end of the century will directly affect their strategic position in the next century. In a sense, international competition and the survival of a state are determined by economic competition; economic competition is determined by competition in science, technology, and qualified personnel; and competition in science, technology, and qualified personnel is determined by the development level of education. Our party has always attached importance to education. After Comrade Xiaoping resumed work in 1977, the first thing he did was to act as a logistics director for education. He mentioned education on numerous occasions. Our educational thinking, educational reform and development road, and concept of all the people running education are the embodiment of the principles, policies, and ideology of our party and Comrade Xiaoping on education work. It was indeed no easy job for Shandong to break a new path with efforts made over the past decade or so. This could not have been achieved without the importance attached by the party and government leaders at all levels to education work.

Third, Shandong carried out the drive of "educating the people to run education" for a long time, which created a big, fine social environment. It is no easy job for the 80 million people of the whole province to acquire a common understanding. Viewed from the whole country, thanks to 14 years of economic development and reform, the broad ranks of cadres and the masses have markedly increased their understanding of education. This is a great manifestation of national emancipation of thinking and increase in ideological awareness. To run education in a nation with a population of 1.1 billion, it is necessary to increase the sense of education of the whole nation. Otherwise, it will be impossible to attain a rapid development in education. Thanks to the fine social environment and importance attached by the whole society to education, the policies introduced by us have won the people's support. In addition, the whole society has continuously increased input in education.

Fourth, Shandong has gradually explored and established a mechanism for increasing investment in a steady and sustained manner. We also used Shandong's experience in mustering education funds through the channels of "finance, taxation, outlay, production, society, and grass-roots units." In other words, proceeding from the provisional efforts made to muster education funds by mobilizing the masses to make contributions, we gradually established an investment mechanism, which was a big reform on the education front. Financial allocation was the characteristic of our past investment mechanism, which could not meet the needs of education development. Education funds, which were less than 10 billion yuan before 1981, rose to 73.1 billion yuan in 1991, an increase of 700 percent. Of the 700 percent, one-third was mustered through various channels while two-thirds was allocated by the financial departments at all levels. In recent years, we have used the increased funds to resolve the problems of shaky school buildings and wages. If it were not for this reform, large numbers

of precarious school buildings would still exist and the ranks of teachers would not be steady.

On the one hand, there is an increasingly higher demand for education of only children; and on the other hand, we will face a peak in primary and secondary school enrollment in the 1990's. With the improvement in the living standards of the people in urban and rural areas, they have made urgent demands for education. The masses eagerly hope their children will have a bright future. There is a contradiction between the current scope of education and the vital interests and desire of the masses. Our schools are like organs and teachers are taken as state cadres. This school system hinders our education development. Therefore, relying on the people to run education means genuinely allowing them to participate in the running of education and gradually establishing a new system rather than merely asking them to donate money. This work should be mainly done by the provinces so that education can better serve local economic construction and the people. Shandong has already explored this road and has gradually established a normal mechanism for education development.

Fifth, build a high-grade contingent of teachers who have both political integrity and ability. I always hold that a contingent of teachers is the key to school education. The quality of teachers determines the quality of students and the education level. Whether you know how to run education can be judged from the level of the ranks of teachers. The education departments should create a fine social environment and external conditions for teachers to engage in teaching and the schools to engage in education. On the question of teachers in the past, we always said that the teachers were not up to standard, they did not keep their minds on teaching, and their qualities were poor, and we urged them to be content with their poverty and take pleasure in teaching. It is necessary to be content with poverty and take pleasure in teaching. To genuinely resolve the problem, however, if we fail to increase teachers' remuneration and maintain their low incomes for a long time, a lower level of education will be the price. A society should be bold in increasing teachers' remuneration. What is the criterion for assessing the remuneration? An outstanding teacher keeping his mind on teaching and wholeheartedly plunging himself into education work. This is the result of comparative interests in distribution according to work. To attain this, we cannot merely rely on the education departments to emancipate their minds. Party and government leaders at all levels should say and do more practical things for teachers.

We have time and again stressed that the hope of revitalizing the nation lies in education and revitalization of education lies in teachers. How to improve the quality of teachers has always been an essential problem. Teachers' qualities can be divided into the following two parts: Ideological and political quality and professional quality. It is necessary to establish a mechanism and a teacher training system. Only with a mechanism for

improving the qualities of teachers can we have a mechanism for upgrading the education level.

Shandong accumulated a great deal of experience while doing the first part of the essay. Now we should study the problem of writing the latter half of the essay on "improving education for the people." This is big problem, which is of mass concern and which has evoked strong reaction from society. As we have just started the latter part of the essay, we will encounter many problems. If the latter part of the essay cannot be written well correspondingly, it will be difficult to continue the first part. Therefore, we should write the latter half of the essay well with the attitude of holding ourselves highly responsible to the people.

III. Some Thoughts on Accelerating Education Reform

Our tasks in the 1990's are to comprehensively implement the education principle and improve education quality. In connection with the topic of improving education for the people, we should accelerate education reform, promote development of the education cause, and explore a better way for serving economic construction and the people. The objective of our reform is to establish a socialist education system with Chinese characteristics. We should adhere to the socialist orientation of education, always give priority to the firm and correct political orientation, and train builders and successors for the socialist cause who are comprehensively developed morally, intellectually, and physically. We should be staunch on this point.

On the thinking for education development and reform, I would like to express some of my views:

First, elementary education and wiping out illiteracy. By the year 2000, we should basically popularize nine-year compulsory education and basically wipe out illiteracy among young people nationwide. Is this target too high? In my opinion, it must be attained. Now some comrades believe that the target cannot be attained by 2000. I suppose there is a problem of ideological emancipation. It is necessary to take into consideration that our country will realize a comparatively well-off level. There are many problems and difficulties in education. Proceeding from economic development and the vital interests of the people, it is imperative to realize the two "basics" in education.

Should individual peasants be allowed to run primary, secondary, and technical schools? Should all forms of schools be allowed in the rural areas? I think we should allow them to do so. Now the rural areas have run all kinds of medium- and short-term technical and educational training classes. The local government and education departments should vigorously offer guidance and support so that they can meet the demands of the people. The second step strategic goal is to redouble the economic quotas and attain a comparatively well-off level. The second step strategic goal for education is to realize the two "basics" and serve the attainment of the comparatively well-off level.

Second, vocational and technical education. The basic road for vocational and technical education is to break a path which integrates production with education, relies on loans to develop school-run industries, and increases the self-development ability of schools. Regarding vocational and technical education, we should not draw a framework in advance, which may limit its development. In this regard, the concepts of ordinary education will not be applicable to vocational and technical education. Vocational and technical education, which undergoes a period from immature to mature, takes shape gradually along with historical development. We cannot demand standardization and perfection of vocational education at the very beginning. As an important component part of contemporary education, vocational and technical education embodies the objective demands of industrialization and a change from apprentices trained by masters to vocational and technical education. Through the form of vocational and technical education, it is necessary to pass on technology on a large scale in light of a given speciality (trade). This is a component part of the education system which trains qualified laborers required for industrialization. The development of industrialization in the developed countries is always accompanied by a large-scale development of vocational and technical education. Some people say that vocational and technical education is the cradle of industrialization and the magic weapon for revitalizing a country. The Germans say that their secret weapon is vocational and technical education. We cooperated with the Germans in running a vocational and technical school in Hangzhou. Our teachers and students said that the teaching material was too easy. The German teacher said: My teaching material is easy but my product quality and level are higher than yours. We should not regard vocational and technical education as ordinary education. In vocational and technical education, we cannot merely rely on financial allocation and take a share from the funds earmarked for ordinary education. As a matter of fact, vocational and technical education in other countries also relies on funds offered by enterprises rather than financial allocation. Therefore, China's vocational and technical education should create wealth and also train qualified personnel who have knowledge and special skills for economic construction.

Our policy is to vigorously develop vocational and technical education. This is a major reform of the education structure. We should adopt various forms and patterns to develop vocational and technical education at all levels. The current growth and scope of China's vocational and technical education are still insufficient. Now large numbers of senior middle school and junior middle school students need vocational and technical education. There are around 20 million people in the country who need to receive vocational and technical education every year. For this reason, it is necessary to go all out to develop vocational and technical education in both urban and rural areas and guide all kinds of adult education toward vocational and technical education as this is a great demand in society.

Third, adult education. The following two systems are now implemented in adult education: The certificate system and the diploma system. The certificate system is a training education system. When modern society develops to a certain extent, people will not be content with the knowledge acquired previously and they will badly need to acquire new knowledge. This is lifelong education, which is carried out in the form of all-personnel education. This education itself is a socialized training education which is not restricted by forms or patterns. China's certificate system is still imperfect, which requires that the trades and localities perfect it in practice.

The diploma system is a kind of academic education system. If the diploma system is thrown into disorder, it will be difficult to exercise management over universities. Our current adult education should localize the certificate system and lift restrictions while nationalizing and institutionalizing the diploma system. In the future, management will be exercised over the diploma system from a legislative angle. The state should establish a diploma examination system. Society, enterprises, and other fields may run schools. But if the graduates want to obtain a diploma recognized by the state, they must take part in the state's diploma examinations so that those with lofty ideals can obtain academic diplomas through various forms of study.

Fourth, reform of higher education. Reform of higher education mainly covers two categories: The first is called management structural reform, while the second belongs to education and teaching reform. We plan to hold a national higher education work conference in the coming autumn to study and propose the plan for reform of higher education and promote development of higher education.

Fifth, education funds. Now it seems that the road of pooling education funds through various channels should be further widened. It is necessary to further improve the existing management method of collecting additional education charges in urban and rural areas. Meanwhile, we should draw on foreign experience and study the establishment of an education taxation system with Chinese characteristics. We should also consider accommodation of education funds and back the development of the education cause through financial and credit means. The input mechanism for funds for higher education, which is still imperfect, should be improved.

Sixth, teachers' salaries. It is necessary to establish a teachers' salary system conforming to the characteristics of education. The salary system for civil servants can be taken as reference for primary and secondary school teachers, but there must be some difference. Teachers at universities and colleges should basically be separated from civil servants. The salary system of teachers of adult education and vocational education should be completely separated from that of civil servants. All provincial, autonomous regional, and municipal governments and schools may increase teachers' salaries in light

of their actual reality and based on the salary standards prescribed by the state. Varying salaries for teachers of different localities and schools are allowed. China's current wage system cannot settle the problem of teachers eating from the same big pot or the problem of low salaries for teachers.

Seventh, the problem of teaching material. It is necessary to compile local teaching material. In the future, the state can adopt the method of purchasing intellectual property rights and purchasing teaching material compiled by localities, schools, or individuals. A graded teaching material system should be established and the right to choose teaching material should be delegated to the localities and schools. The premise of this practice is to introduce reform of the examination system and enrollment system. Teachers who have been engaged in education work for a long time should be encouraged to compile teaching material. After assessment by experts, instead of adopting a mandatory method, the teaching material should be recommended to society. The localities should compile their own teaching material. While compiling natural science teaching material, the contents of some foreign teaching material should be absorbed.

Eighth, the question of structure. It is necessary to straighten out the relations and relevant rights, responsibilities, and interests between central and local governments, between the State Education Commission and central vocational departments, between government and schools, and between schools and teaching staff.

Ninth, the question of catering to rural needs. China has a population of 900 million in the rural areas. There are large numbers of senior secondary school graduates in the rural areas who have the desire to extend their studies and abilities. However, we do not have schools to serve township enterprises and train peasants to acquire college-level education. To put an end to this state of affairs, I suggest that Shandong select a university and turn it into a fee-collecting, nonresident school which directly trains peasants and township enterprise staff members and which does not change the capacity or registration of peasants. The school must follow a new road in its internal personnel, salary, and employment systems.

Tenth, the question of opening up to the outside world. Comrade Xiaoping long ago proposed the question of "facing the world." In economic affairs, we should take part in international economic competition. This should also be the case in education, which should serve the economy in moving toward the world.

IV. Earnestly Do A Good Job With Preparatory Work for the 1993 Shandong Conference

The work conference on "Improving Education for the People" which is to be held in Shandong next year will explore the establishment of a modern education system catering to the 21st century. While convening the work conference, I suggest that a China education development and reform symposium be held to study and

explore the major issues concerning China's education development and reform, seek unity of thinking, acquire common understanding, and elevate the experience gained in all localities to systematic theories. The 1993 conference should be a specific step taken to further implement the spirit of Comrade Xiaoping's talks. The conference should be focused on accelerating reform and development, serving economic construction and the people, and comprehensively implementing the education policy and improving education quality, which will present a scene of all flowers in full bloom. This is the best form for seeking unity of thinking and summarizing the experience of education reform on a large scale since the Third Plenary Session of the 11th CPC Central Committee.

Li Tieying on Deepening Higher Education Reform

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[Article by Li Tieying (2621 6993 5391): "Strengthen Party Building, Deepen Reform in Higher Education, Serve Economic Construction—Report Delivered at the National Work Meeting on Party Building in Institutions of Higher Learning on 1 July 1992"]

[Text] Today is the 71st anniversary of the founding of our party. On behalf of the organization and propaganda departments of the Central Committee and the party group of the State Education Commission, I would like to extend holiday greetings to all representatives attending this meeting and, through you, to all Communist Party members working on the higher education front.

The current meeting is another important meeting following the 1990 and 1991 national work meetings on party building in institutions of higher learning. Its main task is to study and implement Comrade Deng Xiaoping's important talks and the spirit of a Plenary Session of the Central Committee Political Bureau as well as the gist of Comrade Jiang Zemin's recent important talks, sum up experience in the work over the last few years, define the task of further strengthening and improving party building and ideological and political work in institutions of higher learning, study the guidelines and basic principles for deepening reform in higher education under the leadership of the party, and promote higher education to better serve socialist modernization with economic construction as the center. Here I would like to discuss my four suggestions with you.

I. Conscientiously Study and Profoundly Understand the Gist of Comrade Deng Xiaoping's Important Talks and Comprehensively Implement It in Light of Realities on the Education Front

Comrade Deng Xiaoping's important talks constitute Marxist programmatic literature. Their central idea is unswervingly and comprehensively implementing the party's basic line of "one center, two basic points,"

emancipating the mind, seeking truth from facts, boldly conducting experiments with one's hands and feet unfettered, removing all obstacles, seizing the opportune time, quickening the pace of reform and opening up to the outside world, concentrating efforts on promoting economic development, striving to upgrade the economy to a new level every few years, and continuously advancing the cause of socialism with Chinese characteristics. The talks are of great, immediate, and far-reaching historic significance in guiding the current drive of reform and opening up and economic construction as well as socialist modernization as a whole.

In the ever-changing international situation, some people are worried with regard to whether Marxism still works and socialism still works, and how China will adhere to and develop socialism. In his talks, Comrade Deng Xiaoping penetratingly pointed out: Marxism is a science and an irrefutable truth. Through a long and tortuous process of development, socialism is bound to replace capitalism. This is a historical law governing social development and an irreversible general trend. So long as we uphold the line, principles, and policies adopted since the Third Plenary Session of the 11th CPC Central Committee and devote crucial efforts to making the adherence to the formula of "one center, to basic points" unchanged for 100 years, China will have great prospects.

Comrade Deng Xiaoping's important talks are a further enrichment and development of the theory of building socialism with Chinese characteristics. Comrade Deng Xiaoping's theory is a scientific summarization of experiences, positive and negative, in China's socialist construction, the product of the integration of basic Marxist tenets with the realities of China, and the contemporary development of living Marxism-Leninism-Mao Zedong Thought. Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics has enabled our party to achieve a new leap in its understanding of socialism and guided China's modernization cause in embarking on a correct path, thus achieving successes which have attracted international attention. Following the theory, quickening the pace of reform and opening up to the outside world, developing the economy as quickly as possible, boosting the country's comprehensive strength, and improving people's living standards are fundamental guarantees of China's prosperity and long-term political stability and also where the fundamental interests of the Chinese people lie. We should study hard and master Comrade Deng Xiaoping's numerous strategic ideas, theoretical viewpoints, and decisionmaking principles since the Third Plenary Session of the 11th CPC Central Committee according to the requirements Comrade Jiang Zemin set for the party's leading cadres, in particular senior cadres, and strive to learn his spirit of seeking truth from facts in studying new developments and solving new problems and the Marxist stand, viewpoint, and method, improve leadership work, and raise leadership levels and the art of leadership.

Comrade Deng Xiaoping's important talks pointed out the direction of education work and provided a powerful ideological weapon. The education front, particularly institutions of higher learning, should achieve unity in thinking with the gist of the talks, pluck up confidence, comprehensively implement the talks in light of actual conditions, and strive to open up a new situation in the work of institutions of higher learning. They should unswervingly implement the party's basic line, and guard against rightism with the main stress on preventing "leftism." They should emancipate their minds, smash "leftist" ideological trammels and foster the idea of taking economic construction as the center so that education can better serve the drive to accelerate economic development. They should absorb and use for reference all achievements of civilization created by human society, including the things of developed capitalist countries that are useful to us, in particular their good experiences in developing education; accelerate the pace of reform in higher education; and gradually set up a higher education structure and operational mechanism commensurate with the needs of economic construction and social development, which are distinctively Chinese in character. In the whole course of reform and opening up to the outside world, they should always uphold the four cardinal principles, ensure the socialist orientation of school reform and construction, and make contributions to China's political and social stability. It is necessary to educate later generations well, train generation after generation of builders of and successors to the cause of socialism who have both political integrity and ability, and for institutions of higher learning to shoulder important responsibility in this regard. This has a bearing on upholding the party's basic line for 100 years without wobbling, on the state's long-term political stability, and on the future and fate of the cause of socialism. It is a matter which is genuinely crucial to the overall situation. The key to completing the above-mentioned tasks lies in strengthening and improving the party's leadership, doing a better job in party building and ideological and political work, and building party organizations in institutions of higher learning into a powerful leadership core and fighting force.

II. Sum Up the Main Work and Experience of Party Building and Ideological and Political Work in Higher-Learning Institutions in Recent Years and Make Unremitting Efforts To Carry the Work Out

In June 1989, Comrade Deng Xiaoping clearly pointed out: "The greatest error in the last decade lies in education. Here I mainly refer to ideological and political education." Since the Fourth Plenary Session of the 13th CPC Central Committee, under the guidance of the party's basic line of "one center, two basic points" and the leadership of the party Central Committee with Comrade Jiang Zemin as the nucleus, party organizations in various localities, departments, and on the higher education front have comprehensively implemented the party's basic line; conscientiously carried out Comrade Deng Xiaoping's instructions, the Central Committee's numerous important policy decisions, and

the spirit of the two national work meetings on party building in institutions of higher learning; and persisted in doing two types of work simultaneously, thus making advances in the cause of higher education and achieving tangible results in the party building and ideological and political work in institutions of higher learning. Party building and ideological and political work have been strengthened and the ideological and political quality of party members and the fighting capacity of party organizations have been improved; there have been gratifying changes in the ideological and political outlook of teachers, students, staff members, and workers and a turn for the better in school spirit and the styles of teaching and study; maintaining stability in institutions of higher learning has become a consensus in terms of understanding among the great majority of teachers, students, staff members, and workers, and the situation in institutions of higher learning has stabilized continuously; new advances have been made in the work in various fields, such as teaching, scientific research, and management; new steps have been taken in the reform of the internal management structure of institutions of higher learning, education, and teaching, thus pumping fresh vigor into higher-learning institutions; and working, study, and living conditions of teachers, students, staff members, and workers have been improved, thus ensuring and promoting the work to train builders of and successors to the socialist cause.

The main work and experience in strengthening party building and ideological and political work in institutions of higher learning over the last three years are as follows:

- Leaders at all levels have attached importance to party building and ideological and political work in institutions of higher learning. Under the leadership of the Central Committee, central organization and propaganda departments and the party group of the State Education Commission jointly took charge of guiding and coordinating party building in institutions of higher learning throughout the nation. Party committees at various levels and party groups in related ministries and commissions have strengthened leadership over institutions of higher learning. Party committees in 26 provinces, autonomous regions, and municipalities have set up working committees for institutions of higher learning.
- It has been decided that institutions of higher learning practice a system under which the president assumes full responsibility under the leadership of the party committee. Under the system, the duties of party and administrative leadership have been clearly defined, the party's working organs have been perfected, and the building of the contingents of party and administrative cadres strengthened. Under the unified leadership of party committees, the role of administrative organs; trade unions; democratic parties; and the congresses of teachers, staff members and workers has been brought into play and great stress has been placed on the role of the Communist Youth League as the assistant and reserve force of the party in light of characteristics of institutions of higher learning and uniting with the broad masses of young students to carry out the work well.
- Priority has been given to the building of leading bodies. More than 90 percent of leading bodies in institutions of higher learning across the country have been consolidated and strengthened; the study system among leading cadres at the university level has been universally maintained and more than half of leading cadres have participated in theoretical training. The inner-party democratic life system has been improved. Extensive attention has been paid to the building of the contingent of reserve cadres.
- Ideological and political work has been strengthened. Education in comprehensively upholding the party's basic line has been conducted intensively among party members and cadres as well as teachers, students, staff members, and workers. Education has also been conducted in upholding the four cardinal principles and opposing bourgeois liberalization and peaceful evolution, in national conditions, in modern history and patriotism, and in the achievements of reform and opening and modernization over the last decade. Re-registration of party members and "clearing up and combing out" [qing li qing cha 3237 3810 3237 2686] work have been carried out. Young teachers were organized to attend theoretical training and rural socialist education and to go to grass-roots units to temper themselves. Moral education has been enforced. Students were organized to participate in different forms of social practice activities, including social surveys and military training. Since the spring of this year, party members and cadres as well as teachers, students, staff members, and workers have been organized to conscientiously study the gist of Comrade Deng Xiaoping's important talks. Thanks to the aforesaid education efforts, enthusiasm for socialism of the vast numbers of teachers, students, staff members, and workers has been boosted.
- Attention has been paid to the building of party branches, particularly among teachers. The leading bodies of party branches have been consolidated and strengthened, the tasks of party branches have been made clear, and the formulation of rules and regulations has been improved. The role of party branches as a fighting force and the vanguard role of party members have been brought into better play.
- Party schools have been set up in institutions of higher learning to strengthen the party's ideological and theoretical position. They are playing an increasingly important role in promoting the building of the contingent of theoretical workers in institutions of higher learning and educating party members, cadres, teachers, and activists applying for party membership. Party schools in many institutions of higher learning are developing healthily.

—The building of contingents of teachers and students, in particular backbone students, has been strengthened. They have been guided and organized to study Marxist theory and elementary knowledge of the party, participate in social practice, and undertake social work. They have thus improved and tempered themselves in such activities. The contingent of students activists is gradually expanding. They actively participated in the study of the works of Marx and Lenin and the party constitution, and applied for party membership. A number of new members have been admitted into the party in institutions of higher learning.

While affirming the achievements of the party's work in institutions of higher learning, we should also see the existing problems. Some already-set principles and arrangements are far from being implemented; leading bodies in some institutions of higher learning are weak, some general party branches and party branches failed to play their role as they should, the vanguard role of some party members is poor, and a tiny number of party members have still stuck to the position of bourgeois liberalization to date; some problems of ideological understanding, particularly some deep-rooted problems, among teachers and students remain to be solved; and with regard to how to do a good job of party building and ideological and political work in the new situation of faster reform and opening up and economic development, there are still a lot of problems calling for probing and study. We should take the gist of Comrade Deng Xiaoping's important talks as the guide, further study and improve our work, and carry forward party building and ideological and political work in institutions of higher learning.

III. In the New Situation of Faster Reform and Opening Up and Economic Development, Further Strengthen and Improve Party Building and Ideological and Political Work in Institutions of Higher Learning

In the new situation, the task of our work is heavier and not lighter, and the requirements are higher and not lower. The faster the drive of reform and opening up progresses, the greater the need to strengthen and improve party building and ideological and political work will become. It is necessary to do more investigation and study, improve work methods, sum up fresh experience, and upgrade work to a new level on the basis of achievements and experience we have created.

1. Thoroughly study Comrade Deng Xiaoping's important talks, educate the vast numbers of teachers and students, unify our thinking, and arm our minds with the theory on building socialism with Chinese characteristics.

Conducting education in Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics among the vast numbers of party members and cadres, as well as teachers, students, staff members, and workers, is an important element of theoretical study and ideological and political education at present and for a long time

to come. It is necessary to guide them to gain a comprehensive and profound understanding of the gist of Comrade Deng Xiaoping's important talks, strive to master Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, and enhance their willingness to implement the party's basic line. It is imperative to firmly foster the sense of taking economic construction as the center, continue to throw off "leftist" ideological shackles, guard against and overcome the dogmatic understanding of certain Marxist principles and some unscientific understandings of socialism, and smash backward traditional concepts. Emancipating the mind is a magic weapon. Seeking truth from facts means emancipating the mind. Seeking truth from facts is the quintessence of Marxism. Efforts should be made to further emancipate the mind and actively carry forward reform in higher education. We should steadfastly uphold the four cardinal principles and "do two types of work simultaneously, attaching equal importance to both." In institutions of higher learning, on no account must people be allowed to spread views favoring bourgeois liberalization and to trigger "earthquakes." So long as any suggestion of such activities appears, it should be handled decisively.

Frequently conducting education in the current situation and policy to help teachers and students gain a correct understanding of the situation and deepen their understanding of the party's line, principles, and policies is an important element of the party's ideological and political education. It is necessary to willingly and promptly answer questions with which the masses are universally concerned in close connection with the center of the party's work; domestic and international major events; the process of reform and opening up; and the ideological realities and characteristics of the vast numbers of teachers, students, and staff members, and to work and lead them in profoundly understanding Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and conscientiously implementing the line, principles, and policies adopted since the Third Plenary Session of the 11th CPC Central Committee. Party and administrative leading cadres and ideological and theoretical workers should talk about the situation and propagate the party's basic line, principles, and policies.

Running party schools in institutions of higher learning well is the important task of party organizations in institutions of higher learning. It is necessary to give play to the important role of party schools in strengthening the party's ideological and theoretical construction, in particular, in training and educating young cadres and teachers. Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, particularly his recent important talks, should be regarded as an important element of party school courses. Party committees should study new developments, improve related rules and regulations, strengthen the building of the contingent of teachers, and enhance their competence to run a school [ban xue 6586 1331]. They should continuously

sum up experience and exchange experiences of party schools in Institutions of higher learning.

2. Further strengthen the building of leading bodies, with the stress on ideological and theoretical construction and style improvement.

As far as the building of leading bodies in institutions of higher learning is concerned, efforts should be made to continue to do a good job in consolidation and replenishing work, with the stress on ideological and theoretical construction, style improvement, and the training of reserve cadres. The key to deepening reform and running universities well lies in leading bodies. To lead the reform and construction of institutions of higher learning well, leading cadres must strive to master Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, study economics, and gain knowledge about modern science and technology. Effective efforts should be made to build leading bodies of institutions of higher learning into powerful and good bodies which are up to the requirements of the "four transformations" of cadres. If this is achieved, there will be greater changes in the situation of institutions of higher learning in China.

Strengthening the building of the contingent of reserve leading cadres at the university level is an important matter which has a bearing on long-term political stability. All localities, departments, and institutions of higher learning must uphold the policy of making cadres more revolutionary, younger in average age, and more knowledgeable and professional, and the principle of stressing having both ability and political integrity, effectively strengthen the selection and training of reserve cadres, carefully organize work, improve the related rules and regulations, and make every effort to ensure the work's success.

3. Place the building of party branches in the important position of party building in institutions of higher learning.

Party branches are basic to strengthening party building and doing a good job in the party's work. Great importance should be attached and more energies should be devoted to the building of party branches. The soundness of the building of party branches should be taken as an important criterion for testing the work of party building. Efforts should be concentrated on studying and solving problems relating to the role of party branches as the fighting force and party members' exemplary vanguard role, to put an end, as quickly as possible, to the situation in which some party branches are lax and weak, and to build effective party branches into fighting collectives which are full of vigor and able to lead the vast numbers of teachers, students, staff members, and workers to boldly forge ahead while breaking new ground in the course of reform and development of institutions of higher learning. In the last three years, institutions of higher learning in various localities have created a lot of

good experiences through exploration. Great stress should be placed on summing up and popularizing their experiences.

A serious job should be done in the work of recruiting new party members from among teachers and students, in particular undergraduates and college students. Backbone students who have met the requirement for party membership should be admitted into the party without delay. Party organizations at all levels should strengthen fostering activists so that a contingent of student activists with party members as the backbone will take shape gradually.

4. Effectively strengthening the building of contingents of cadres and teachers, particularly those of young cadres and teachers, is an important strategic task of the party committees in institutions of higher learning. We should have a sense of urgency in this regard.

The purpose of strengthening party building and ideological and political work in institutions of higher learning is to further mobilize the enthusiasm of the vast numbers of teachers, students, staff members, and workers for socialism; run universities well; and train qualified builders of and successors to the cause of socialism. Party and administrative cadres are all education workers. Only when they have relatively high ideological and political quality and know professional work well can they meet the needs of their work. Training and bringing up a contingent of young party and administrative cadres who have both ability and political integrity and are loyal to the party's educational cause is where the hope for prosperous and thriving higher education lies. Party and administrative leaders at all levels should pay great attention to and support the growth of the contingent of party and administrative leaders, in particular, that of young party and administrative leaders; adopt effective measures; create necessary conditions in theoretical and vocational training and tempering in practice in accordance with the principle of making up for deficiencies; and carry out the work on a regular basis. Localities and institutions of higher learning must proceed from actual conditions and actively solve the problem of pay and treatment for them.

Teachers constitute the principal body of running a school. The key to improving teaching, raising scientific research levels, and educating people while teaching lies in teachers. In strengthening the building of the contingent of teachers, stress should be placed on teachers' political and professional qualities. It is necessary to implement conscientiously the party's policy toward intellectuals, fully trust them politically, give them a free hand in their work, take care of and give due consideration to their well-being, and do a solid job of the work toward teachers. The 1990's is a crucial period of replacement of old teachers by new in institutions of higher learning. Building a contingent of outstanding young teachers who will carry forward our cause beyond this century has become a strategic task that brooks no delay. Party and administrative leaders at all levels

should show profound concern for, set high strict demands on, and actively train them so they will grow to maturity and be able to shoulder the heavy load of work as quickly as possible.

To comprehensively improve the quality of the contingent of party and administrative cadres and that of backbone teachers in institutions of higher learning and promote the integration of party, administrative, and professional work, it is necessary to actively encourage full-time party and administrative cadres to concurrently do some teaching and scientific research work in political theory education or professional work and encourage some professional teachers to concurrently do certain party and administrative work. As far as outstanding young cadres and teachers are concerned, we should train them in a planned way with a long-term goal in mind so that they will become successors to China's educational cause and turn out outstanding qualified people for China's modernization. It is necessary for the student to surpass the teacher in learning. The practice of some schools has proved this as a good method for building the contingents of cadres and teachers in institutions of higher learning. It is necessary to conscientiously sum up their experience and popularize it, and do this work on a regular basis.

One thing must be particularly emphasized here. Institutions of higher learning should provide society not only with university students and graduates, but also cadres, teachers, and research personnel, and at the same time, they should constantly replenish themselves with outstanding personnel to maintain the relative stability of the contingents of cadres, teachers, and scientific research personnel. This is the task and glorious obligation of institutions of higher learning. They must explore and establish a mechanism and system conducive to both the training and stabilization of qualified personnel and the absorption and supply of qualified personnel. A system of training young cadres and teachers should be set up so that they will grow to maturity as soon as possible. When it comes to outstanding young cadres and teachers, we should adopt a special policy and measures, promote and use them by breaking rules, and strive to solve this problem roughly within three to five years.

5. While deepening reform in higher education, it is necessary to readjust policies, improve methods, and do a good job in ideological and political work.

Specific policies [zheng ce 2398 4595] must be in keeping with general policy [fang zhen 2455 6859]. Efforts should be made, through further deepening reform, gradually to readjust some specific policies not in keeping with educational policy to help mobilize the enthusiasm of the vast numbers of cadres and teachers; improve teaching, scientific research, and management levels; persist in implementing the policy of achieving moral, intellectual, and physical development; put the correct political orientation in the first place, with moral education going first; and gearing teaching, management, and services to the needs of educating people.

To suit the new situation, methods of ideological and political education must be substantially improved and upgraded. Party building and ideological and political work must be carried out centering closely on the party's central task and in connection with professional work. It is necessary to strengthen investigation and study, pay close attention to typical cases, and sum up experience to promote work. In conducting ideological education, we should have a clear objective in mind, integrate theory with practice, and place great stress on explaining things with facts to achieve better practical results. Particular attention should be paid to carry out management and education in accordance with laws as well rules and regulations. University students should have a sense of the legal system, observe discipline, and abide by the law.

In the course of reform in higher education, there are a lot of new problems cropping up which should be seriously studied and solved by doing a good job in ideological and political work. It is necessary to help people get a clear understanding of the situation; emancipate the mind; properly handle relations between long-term and immediate interests, between general and local interests, and between overall and individual interests; deepen their understanding of reform; and boost confidence so that reform will become the conscious action of the vast numbers of teachers, students, staff members, and workers. Practice has proved that in the course of reform, whenever ideological work is conducted in a sound, thoroughgoing, and painstaking way, reform will progress smoothly and win the support of the vast numbers of teachers, students, staff members, and workers.

IV. Deepen Reform in Higher Education, Better Serve Economic Reform

The new national situation of faster reform, opening up, and economic construction has not only set a new demand on the reform and development of higher education but also provided it with a favorable macro-environment. In the last 10 years or so, higher education has developed rapidly and various reforms have been gradually conducted, thus accumulating valuable experience. Now the political situation in institutions of higher learning is stable and the vast numbers of teachers and students are in high spirits. All these serve as a golden opportunity to further reform and develop higher education. We should further emancipate our minds, willingly submit ourselves to and serve economic construction as the center, and quicken the pace of reform in higher education under the guidance of the party's basic line. On this issue, comrades engaged in higher education, in particular, leading comrades, must have a sense of urgency.

The "Program (Draft) for the Development and Reform of China's Education," which was revised recently by the State Education Commission, has put forth the principled line of thinking on how to further reform and develop higher education in the new situation.

According to the line of thinking, the "Suggestions for Several Questions Concerning Reform in Higher Education," which are currently being drafted, are to be submitted to the national work meeting on higher education for discussion. Here I would like to go into several questions in particular: **First, on the guiding ideology of deepening reform in higher education.** The reform and development of higher education must help adhere to the socialist orientation of running a school; comprehensively implement educational policy; improve educational quality, scientific and technological levels, and school running efficiency; train builders and successors who develop morally, intellectually, and physically; arouse the enthusiasm of the vast numbers of teachers, students, staff members, and workers and all sides of society; and help serve economic construction as the center and explore a path of building modern socialist universities with Chinese characteristics.

Second, the development of the cause of higher education must meet the needs of quickening the pace of reform, opening up, and economic construction. In the days to come, we should strive to upgrade our country's economy to a new level every several years. This will inevitably call for and give an impetus to the further development of higher education. The people's livelihood is moving from having enough food and clothing to a well-to-do standard of living. Having solved the problems of such basic needs as clothing, food, shelter, and transportation, more and more people desire to receive higher and better education. The educational structure is determined by the economic base. In the face of the new situation, higher education should be further developed. Therefore, only when efforts are made to reform the existing educational structure and pattern and break a fresh path can higher education meet the needs of accelerating reform, opening up, and economic construction and can it make fresh advances. Leading comrades of all localities, departments, and institutions of higher learning should concentrate their efforts on studying and analyzing the needs of the new situation for higher education and exploring a new path of developing it.

Third, quicken the pace of reform in higher education. Reform in higher education involves a wide range of content. From a macro point of view, they are mainly reforms in such aspects as education structure, education, teaching, and science and technology. The reform of the educational structure will finally be implemented down to education and teaching. At present, we should start reform with the educational structure and combine it with reforms in education and teaching so that the two will coordinate with and promote each other.

1. Carry forward reform of the internal management structure of institutions of higher learning, with the stress on the personnel and distribution systems to transform the mechanism and bring the enthusiasm of teachers, staff members, and workers into play. Experiments in this regard, which have yielded useful experience, are being expanded. To carry out the reform, we

should emancipate our minds, take reliable measures, do the work meticulously, and implement all reform measures step by step.

2. Carry out the reform of the higher education macro-management structure, with the main purpose of harmonizing relations between central and local authorities, between the State Education Commission and central professional departments, and between governments and schools. What is important in this aspect is to improve the mechanism for investment, establish the legal-person system of institutions of higher learning, and create a sound external environment for galvanizing the vitality of institutions of higher learning. In relations between the central and local authorities, a level-to-level management responsibility structure should be established between the central authorities on the one hand and provinces, autonomous regions, and municipalities on the other. With the exception of major policies and large-scale plans, which should be decided by the central authorities, responsibilities and powers in formulating and implementing specific policies, rules and regulations, and plans and in leading and managing local institutions of higher learning should be gradually delegated to local authorities. In the relations between the State Education Commission and central professional departments, the State Education Commission is mainly responsible for making overall plans, giving policy guidance, and organizing coordination, supervision, and investigation. Responsibilities and powers in handling matters such as the scale of student enrollment, curriculum, fund raising, and student employment for schools under the jurisdiction of the departments, should be delegated to the central professional departments. With the transformation of the functions of central professional departments and the delegation of enterprises directly under their jurisdiction to lower levels, reform experiments should be conducted in the school running and management structures of the schools under the jurisdiction of central professional departments in light of their own conditions. In relations between governments and schools, the legal-person status of institutions of higher learning should be established, and they should be given greater decisionmaking power in running themselves. According to this line of thinking, departments in charge of educational administration at all levels must transform their functions, simplify administrative procedures and delegate powers to lower levels, and put an end to the situation in which higher education is managed relatively rigidly by using administrative fiat in the main. At the same time, they must gradually establish an operation mechanism combining macro-management and independent running of institutions of higher learning by using legal, economic, assessment, information, and other means.

3. In enrollment of new students and employment of graduates, we should reform the enrollment planning structure and combine state task and regulatory planning. Particular attention should be paid to directly training qualified personnel for the extensive rural areas

and grass-roots units. Newly run schools must adapt themselves to economic restructuring and pursue a new structure. While guaranteeing the completion of state task planning, it is necessary to gradually expand the use of regulatory planning. As far as the employment system of graduates is concerned, further efforts should be made to explore means commensurate with reforms in the economic structure and the labor and personnel system on the basis of summing up the reform experience over the last few years.

4. Reform the investment system of higher education to provide a necessary material foundation for the further reform and development of higher education. Central and local financial departments must gradually allocate more funds to higher education and meet the basic needs of educational development; schools must change the concept of reliance solely on financial allocation and break a path of pooling educational funds through many channels. As economic restructuring proceeds, university fees collection, credit funding [dai xue jin 6313 1331 6855], and scholarship systems should be reformed appropriately. Efforts should be made to develop school-run businesses based on new, high-tech industries to further combine teaching, scientific research, and production and boost the schools' ability to develop themselves.

Reforms in the various aspects of higher education are interrelated. In accordance with this general line of thinking and in light of their own realities, the State Education Commission, local governments, central professional departments, and schools must actively explore and work out specific propositions and measures for further reform and development, and carry them out in a planned and gradual way with proper leadership.

The opening of higher education to the outside world is part and parcel of China's drive of opening up to the outside world. While accelerating reform, it is necessary to open higher education wider to the outside world to keep pace with China's drive to open wider to the outside world. Efforts should be made to conduct more exchanges and cooperation in the academic and personnel fields with other countries, and particular attention should be paid to boldly absorbing and using as reference foreign experiences in developing higher education. The State Education Commission is organizing forces to further study the issue and will make arrangements for it at an appropriate time.

Fourth, strengthen party leadership over reform in higher education. Reform involves not only many issues concerning internal departments of institutions of higher learning but also aspects such as planning, financial, personnel, and labor systems. Therefore, it is relatively complicated. Party committees and governments at all levels must strengthen leadership over the work of institutions of higher learning. The implementation of specific reform propositions should be approved by competent departments and carried out in a planned and gradual way. Major reforms should be conducted on a

trial basis and gradually carried out extensively after experience is summed up. We should by all means avoid any major errors and destabilizing factors. As far as problems arising in the course of deepening reform are concerned, leading departments at various levels must offer active guidance and management and coordinate with departments concerned to help solve actual problems in policy, taxation, and credit terms. School party committees and presidents must collectively discuss any major reforms which have a bearing on the overall situation of schools and extensively solicit the opinions of teachers, staff members, and workers. In operation, they should sum up experience, carry out work thoroughly and painstakingly, and guard against oversimplification of problems and impetuosity. While ensuring the correct orientation of reform, school party organizations at all levels must do a good job of ideological work and mobilize vast numbers of party members to play a role in various areas such as actively plunging themselves into reform. The strengthening of party building in schools must be combined with the deepening of educational reform so that the two will promote each other.

Comrades, the national situation of faster reform and opening up and economic development is very fine, and new steps have been taken in the reform and construction of institutions of higher learning. Accelerating reform in higher education so that it can better serve economic construction is a glorious and arduous task facing us. In our party's history, whenever revolution and construction entered a crucial historical period, our party would always particularly stress the role of party organizations and party members and, above all, their consciousness as the vanguard. Currently, China's reform and opening up and socialist modernization are in a crucial period; it is our hope that party organizations at all levels and all party members on the higher education front throughout the country will shoulder the historical mission and, under the guidance of Deng Xiaoping's important talks and the spirit of the Plenary Session of the Central Committee Political Bureau, closely rally around the party Central Committee with Comrade Jiang Zemin as the nucleus, unite as one, do solid work in real earnest, and greet the convention of the party's 14th National Congress with real action.

Li Ruihuan Sends Letter on Confucius Anniversary

*OW0210115892 Beijing Central Television Program
One Network in Mandarin 1400 GMT 28 Sep 92*

[From the "Night News" program]

[Text] Activities to commemorate the 2,543d birthday of Confucius started on the morning of 26 September in front of the Dacheng Hall of the Confucius Temple in Shandong's Qufu City, the native place of Confucius. [video shows people dancing, wearing ancient costumes in a court outside a building]

International friends from the five continents, noted people of business circles, as well as some 10,000 local people attended a ceremony for the 1992 International Confucius Cultural Festival.

Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee, sent a greeting letter for the memorial activities. The letter says that we should absorb the quintessence of Confucian Thought and properly integrate the outstanding cultural tradition of our nation with the cause of reform and opening up to the outside world, and make contributions to realizing the great rejuvenation of the Chinese nation.

Flag-Raising Ceremony on National Day Well Attended

OW0110143792 Beijing XINHUA in English 1416 GMT 1 Oct 92

[Text] Beijing, October 1 (XINHUA)—More than 100,000 people gathered in Beijing's Tiananmen Square early today to watch the flag raising ceremony on China's national day.

Beijing residents and thousands of tourists flocked to the 6 a.m. raising of the five-star red flag in front of the Tiananmen rostrum.

"My life is getting better and better," said 80-year-old Wang Keqing, from Beijing's Chongwenmen District, who these days is confined to a wheelchair.

"That's because of the founding of New China. I often come to Tiananmen, but I had never seen the red flag being raised. But now I have."

Helped by her 57-year-old daughter, Wang was in the front rank of the crowd and arrived well before dawn to get her prize position.

Yang Wenyan, 68, an adviser of the China Resources (Holdings) Co. Ltd. of Hong Kong, who arrived with a tourist group, said he felt very excited.

"I am delighted to see the flag-raising ceremony here," he said. "I hope that with the convening of the 14th party national congress, China will become more prosperous through further opening and reforms."

Zhai Xiaoli, a freshman of the Beijing Engineering University, who came from northwestern China's Gansu Province, said seeing the flag being raised made her feel a strong sense of responsibility.

"It was the first time I'd attended the red flag raising ceremony," said Zhai, who was with about 200 classmates. "I have a strong feeling of the nobility of my motherland."

The Tiananmen Square has been decorated for the last week with magnificent floral displays for the festive occasion.

Two eyes-catching banners hung in front of the monument to the people's heroes said "Hail to the Coming 14th Party National Congress" and "Uphold the Party's Principles for 100 Years."

Literary Works Flourish With Reform, Openness

OW0110180092 Beijing XINHUA Domestic Service in Chinese 0800 GMT 30 Sep 92

[By XINHUA reporters Qin Jie (4440 2638) and Shao Jianwu (6730 1696 2976): "Singing During the Upsurge of Reform and Openness"]

[Text] Beijing, 30 September (XINHUA)—The upsurge of reform and openness has stirred up the enthusiasm of hundreds of millions of Chinese for work and life, and has stimulated their imagination and creativity as never before. China's literary and art workers are worthy of the times—they have been singing during the upsurge of reform and openness and have created a considerable amount of quality work with extensive impact.

As revealed from works such as the novel, "Heavy Wings," published in the early 1980's, and from a recently published report, the "Mystery of Shenzhen's Sifenkesi" [name as received], we can not only find the tracks of reform and openness in the past 10-odd years, but we can also discover the inner feelings of authors and artists. As writers and artists have observed and understood reform and openness more and more thoroughly, their reflections have become more and more comprehensive. Artistic images belonging to our times that are different from creations by earlier writers have been portrayed in works such as the "Endless Road," "Liberation," "China's Divine Fire," "There Is a Sacred Fire on the Horizon," and "Miss Public Relations." Lively artistic models have not only enriched the galleries for China's artistic images, but they have also recorded various different aspects from a great era and have encouraged people to boldly advance toward the future. From a macroeconomic angle, "Tides of a Decade" and "Primary Productive Force" have positively expounded on the reasons for reform and openness as a historic certainty and a realistic necessity. More literary and art workers have been invigorated by rejuvenated social activities following reform and openness. By describing ordinary living scenes and common worldly wisdom and yet simultaneously expressing more profound cultural and historic aspects, many literary works including "Grain From Rural Areas That the Town Mayor Eats," "Qiuju Files a Lawsuit," "Tall Smelting Furnace Tower," "Alien Girl," and "Roots of Huangcheng City" have revealed changes—that have been extensive but profound, and enormous but meticulous—following reform and openness.

The era of reform and openness is a time full of vitality, but is also a time of many contradictions. While hailing reform and openness, literary and art workers also extend their feelers into controversial contradictions so as to jointly discover and meditate along with the people.

Writers of works such as "The Magnate's Soul" and "Nine Chapters of Yimeng" are aimed at exploring the progress of life rather than establishing various historic monuments; they are proposing new topics rather than reproducing copies of life. Works such as "Beijing Loses Its Balance" seem to promptly reflect hotspots in real life, so it is natural that they have created a sensation.

It is gratifying that literary and art workers have not simply striven to serve reform and openness. In other words, reform and openness have provided opportunities and conditions for various types of literary and art workers at various levels to demonstrate their talents—the masses of people have been unprecedentedly close to literature and art. The masses of people's gradually growing demand for cultural gratification in literature and art has been fulfilled as never before. The masses of people's enthusiasm in directly participating in the creation of literature and art has reached a record high. The appearance of children's paintings, calligraphy by the elderly and drawings everywhere is a reflection of the professional literary and art workers's hardwork.

While hailing reform and openness, writers and artists have also enhanced the development of literature and art themselves. The "employees' literature," which was created in Shenzhen; the "business culture," which was developed in Guangdong; and the "overseas students' literature and art," which has begun returning to the mainland—all these are undoubtedly the products of reform and openness. The appearance of literature and art with strong local characteristics such as the "Black Earth's Literature and Art," "Novels Reflecting Certain Aspects of Beijing," "Chu Culture," and the "Wind of Northwest China"—are also the end results of reform and openness. People have a clearer picture: When the society is more open, literature and art will have stronger character.

What is more important is that more and more writers and artists have understood, once again, the merits in the creation of life, times, and the masses of people for cultivating art. Just as Wang Guangming, a reporter, said: The creative force of life itself is 1,000 or 10,000 times more powerful than our feeble and frail pen! While living a solid and fulfilling life, we can then write factual and solid articles which will be read and appreciated everywhere.

Article on 'Telling, Listening To Truth'

HK0210025992 Beijing RENMIN RIBAO in Chinese
18 Sep 92 p 5

[Article by Zhang Ming (4545 2494): "Further Discussion on 'Telling and Listening To the Truth'"]

[Text] In 1979, in reading notes entitled "Telling and Listening To the Truth," which were carried in a publication, I wrote "in calling on people to tell the truth, there must be a precondition, i.e., a leader should listen to and heed the truth. If he can listen, he will be able to reap the benefit of "listening to both sides and being

enlightened." If he listens only to what is to his taste and censures what is not, nobody will dare to tell the truth. Consequently, the leader will be out of touch with reality and do some wrong and foolish things"....

Some time ago, I read two articles on "the truth" [zhen hua 4176 6114] by Zhang Yusheng and Li Gengchen carried in RENMIN RIBAO. They contain diametrically opposite viewpoints, which I also discussed 13 years ago. Deeming this quite a coincidence and very significant, I venture to "further discuss" this issue.

The focus of arguments between the aforesaid articles is "what is the truth." The Zhang article holds: "There are criteria for distinguishing the truth. I think there are at least two: The first is that you tell the truth when you say what you think. The mouth takes the heart as the criterion, and the statement echoes the thought. If they are identical, it is true; if they are not, it is false. In this sense, telling the truth only means daring to speak. The second is that you tell the truth if what you say conforms to reality, without exaggeration, reduction, or one-sidedness. The mouth takes facts as the criterion, and the statement is unified with practice. If they are identical, it is true; if they are not, it is false. In this sense, telling the truth means not only daring to speak but also seeking the truth." Then, the author cites some counterevidence to show that only something conforming to the second criterion is "the truth" we should advocate.

However, the Li article holds: "There seems to be something missing in the explanation of 'the truth' given by the Zhang article. I fully agree with and have no objection to the first criterion for 'the truth,' because nobody thinks a person tells the truth when he says one thing but means another. As for the second criterion for 'the truth,' it is still understandable if this is only a special requirement for those 'writing articles, making speeches, and engaging in creative work'; but it is open to discussion if this is considered a universal definition of the truth." "Constrained by their own various limitations, it is difficult to remove some one-sidedness. Generally speaking, we can only try as far as possible to take an all-around view and avoid one-sidedness, but we dare not brag that we are completely free from one-sidedness. According to this criterion, in attempting to tell 'the truth without one-sidedness,' people cannot but refrain from speaking." The article further pointed out: "In raising such a difficult criterion for telling the truth the Zhang article has probably mixed up 'the truth' with 'truth' [zhen li 4176 3810].... We should ask people to tell 'the truth,' but it is hard to ask people to speak 'the truth without one-sidedness.'"

After quoting to this point, please also let me say something "true" which I cannot guarantee to be free from one-sidedness. I unconditionally agree with Li Gengchen's viewpoint, because what he says is in keeping with what I have always stood for. In my article cited at the beginning of this article, I wrote the following passage:

What is said truthfully is not tantamount to truth. Those telling the truth are also apt to say something which is not so accurate, goes too far, is too radical, or is even totally wrong; but so long as they do not lodge a false accusation or slander others with evil intentions, people who hear it should not fuss about it. If there are some rational elements in it, we should still listen attentively and benefit by it.

If we want other people to be 100 percent correct in what they say, we actually will not allow others to speak. I still uphold this view today. Moreover, I also want to point out that the counterevidence cited in the Zhang article does not seem quite appropriate: "If people who speak out are telling the truth, regardless of whether they are in keeping with reality, then cannot those words—the groundless accusations made by those indulging in exaggeration, the illusions uttered by those trying to please the public with claptrap, the embroidered stories and malicious gossip spun by rumormongers, and the fantastic talk of those wanting to tell strange lies—be called the truth? What is the significance of advocating that people tell the truth if the good and the bad become mixed and vie with one another for honor?" Here, the writer has probably made a small error in logic. Since the first criterion for "the truth" as laid down by him is to "say what one thinks," how can those "indulging in exaggeration, trying to please the public with claptrap, starting rumors and slinging mud, and wanting to tell strange lies" be used as counterevidence? Is not the common characteristic of these things "not saying what one thinks"? Are they not not the truth, but falsehood? One of them, i.e., "starting rumors and slinging mud," is not just falsehood but also a crime in violation of the law.

The more truth is debated, the clearer it becomes. Enlightened after reading the two articles by Zhang and Li, I have some new reflections.

Although what is said truthfully may not be truth, falsehood is definitely not truth. For this reason, our leading cadres should learn to tell the truth from falsehood and perfect the skill of loving to listen to the truth and refraining from listening to falsehood. Some people make a point of listening to reports that bring only good news but not bad, and like flattery and not criticism. These are extremely dangerous. The previous situation, in which people got promotion for telling lies and were penalized for telling the truth, resulting in the "scourge of lies" spreading all over the country, should no longer be repeated!

Neither is it easy to judge whether the truth told by a person is one-sided or to make out how much of it is one-sided. To achieve this, not only is penetrating judgment needed, but it should be tested in practice and over a long time. In the past, Ma Yinchu's "New Population Theory" and Peng Dehuai's "Long Letter" were regarded as one-sided (not only one-sided but also "out-and-out reactionary"). But today everybody knows they

were not only true statements, but also the truth. Therefore, when a leader hears some true statements which are not to his taste, he should not rashly negate them, but weigh them prudently.

A leading cadre with power in his hands should have a democratic style and a magnanimous bearing and should modestly solicit views for fear others will not speak out. Furthermore, he should not judge other people's true statements with a metaphysical formula of "if it is not this, it must be that; if it is not correct, it must be wrong." In his "Jottings Written In a Study," Hong Mai of the Song Dynasty cited an excellent example: "When Cao Chao planned to attack Wuhuan, all his generals pleaded with him not to do it. Upon his return after defeating the enemy, he had a talk with the dissenters. Not knowing his intentions, everybody was fidgety. But Cao Chao rewarded them handsomely, saying: 'When I went on the expedition, I gained victory by sheer good luck and with the help of Heaven. This is not something normal. Your admonitions were for the sake of great security and so I reward you in the hope that you will not hesitate to do so in the future.'" It seems that Cao Chao really knew some dialectics. He knew that although the victory gained in the northern expedition could prove that his action against Wuhuan was correct, this did not prove that the view in favor of delaying the expedition had no redeeming features and was totally wrong. For this reason, he did not pick on others for their faults but, on the contrary, praised them and rewarded them handsomely. As a Western proverb goes: "All roads lead to Rome." Cao Chao did not consider himself the "only correct one" just because he was proved correct once, and therefore he was a hero.

Military

QIUSHI Lauds Spirit of Missile Test Base

HK2809114892 Beijing QIUSHI in Chinese No 14, 16
Jul 92 pp 27-33

[Article by Kong Zheng (1313 2398) and Kong Hou (1313 0683): "Modernization of National Defense Requires Displaying Spirit of Plain Living, Hard Struggle—Survey of Air Force's Northwestern Surface-to-Air Missile Testing Base"; first paragraph is QIUSHI editor's note]

[Text] The air force's northwestern surface-to-air missile testing base was set up after a decision by the older generation of proletarian revolutionaries. For over 30 years, the large number of workers in national defense science and technology and all the officers and men on the base have, with boundless loyalty to the party's cause and a noble sense of historical responsibility, surmounted grossly adverse natural circumstances, overcome all kinds of difficulties, done pioneering work against all odds and made outstanding contributions to realizing the modernization of China's air defense weapons. Their experiences show that the spirit of plain living and hard struggle and selfless dedication is indispensable to defense modernization. This is of great

significance to the political, military, and logistic building of the Army as something they can learn from and is also worthy of conscientious study and thought by the broad ranks of party members and cadres. For this reason, we specially publish this report in the hope that their spirit of plain living, hard struggle, and selfless dedication can be carried forward and enhanced in the reform, opening up, and modernization.

The construction of the air force's northwestern surface-to-air missile testing base began in 1958. It undertakes to appraise, finalize design, and conduct scientific experiments concerning China's surface-to-air missiles. Situated in the depths of the Gobi on the periphery of China's northwestern desert, the base is set in an extremely harsh natural environment: In spring and autumn, frequent strong winds, accompanied by sand and grit, are overwhelming and can even move or turn over vehicles; in summer, the surface temperature of the Gobi Desert under the scorching sun often reaches 70 degrees Celsius; in winter, the north wind, taking heavy snow with it, sweeps the whole of the barren desert, bringing the temperature down to below minus 40 degrees Celsius. The annual frost season on this base can be as long as over seven months. The annual rainfall is only 40 mm but the evaporation is as high as 3,000 mm. The saying that "no birds fly in the sky, no grass grows on the land" is a faithful depiction of the circumstances here. As early as the 19th century, British explorers concluded that this place was "a sea of death and land with no life." Building a base in such a place, the officers and men were faced with extremely grim survival problems. All the vegetables and meat that the soldiers lived on had to be transported in truckloads from such places as Jiuquan and Zhangye, hundreds of kilometers away. Because of the long-distance transportation, upon arrival at the base, the fresh meat had turned putrid and large quantities of vegetables become rotten in summer and, in winter, the greens would have become frozen sticks. Far into the vast desert and without backing from society, the base was in a state of almost total isolation from the outside world. For quite a long time, no broadcasts or pictures were received on television sets or radios; journals and newspapers were well out of date when they reached them; and it took many days for the mail to arrive. The officers and men were living in a monotonous and boring environment with no cultural entertainment. Some years ago, officers from a foreign observation group, having experienced life on the base, remarked: This missile testing place is out of the ordinary in the world but not a place to live in.

However, it was in this arid and desolate place that the scientific and technological personnel, cadres, and soldiers, cherishing unlimited loyalty to the party's cause and a sense of historical responsibility, made unremitting and strenuous efforts, overcame rare and extraordinary difficulties, withstood trials and tribulations ordinary people would have been unable to endure, and opened up a brand-new world in the Gobi Desert with their sweat, blood, and even lives. For over 30 years, the

base has successfully conducted the test launching of thousands of surface-to-air missiles. It has: Accomplished the development, examination, design finalization, and testing of dozens of types of surface-to-air missiles; made achievements in over 500 major research projects; brought up a batch of experts who enjoy a certain recognition in the country and the Army; provided extremely precious experiences for the improvement and stereotyping of China's surface-to-air missile weapons; and made important contributions to realizing defense modernization. In the meantime, outstanding achievements have also been made in the overall building of the force. This is a result of the broad ranks of officers and men on the base upholding and carrying forward the spirit of self-reliance, plain living, hard struggle, and selfless devotion under the leadership of the party committee. When inspecting the base in 1965, Comrade Chen Yi, deeply moved, said: "You have built this primitive land into a test range. Your achievements are tremendous. The party and the people will not forget you and history will always remember you."

I.

Developing surface-to-air missiles in our country was started and made progress in unusually difficult times. The objective historical conditions and harsh natural environment determined that developing, and equipping the Army with, each type of missile required the broad ranks of project technologists and all the officers and men at the base to make strenuous efforts and pay high costs. Their deeds of plain living, hard struggle, and selfless dedication for the development of the motherland's national defense are highly moving and inspiring.

Performing meritorious deeds and doing pioneering work in places where one is needed most by the motherland was the pledge that the older generation intellectuals made when arriving at the base. In the early days, when the cause was founded, a batch of excellent intellectuals fostered by New China were gathered at the base. With absolute sincerity in repaying the motherland for her kindness, they determinedly came to the Gobi Desert, quietly made strenuous efforts for the modernization of national defense, and became the backbone force in our country's research on, and production of, surface-to-air missiles. A batch of old experts and scholars with consummate professional skills, represented by Wu Ke [0702 0344], Tang Li [3282 0536], Zhou Yusheng [0719 3768 3932], and Cao Xinguo [2580 2450 0948], were brought forth. They slept in underground tunnels, lived in tents, "ate uncooked millet when hungry and drank bitter muddy water when thirsty," selflessly dedicating their youth and blood without regret and feeling deeply proud. Tang Li, a senior woman engineer at the base, had been working in a research academy in Beijing. In 1962, following her husband who was engaged in the overall testing of missiles at the base, she came to settle in the Gobi Desert. Her speciality is explosives. Every time firing at authentic targets takes place, she will always be present on the range without missing a single occasion, whether

it is in the depths of winter or sweltering summer. Many times, she has accomplished the task of detonating and destroying unexploded missiles, risking her own life, and has five times been awarded class three commendations on five occasions. For over 30 years, she has done nothing but work. Her first son was sent into the base nursery 56 days after birth and was a boarder all through his schooling till he went on to college. The total time the mother and the son spent together was no more than three years. Engineer Zhou Yusheng, when assigned to the base after graduation from the Northwest University of Industry in 1963, felt proud and fortunate that he had found a good place to develop himself and a good opportunity for repaying the motherland and the people for the care they had taken in bringing him up as a professional. During the past 28 years, he has made numerous scientific and technological achievements, but the 25-year separation from his wife has caused his wife and children to suffer untold hardships. In those 25 years, their time together as husband and wife has been a mere four years. Some people called him "silly" but he does not think so and vows to adhere to his chosen course. At the base, people like these are numerous. The children of many of these one-time brilliant students cannot go to college because they have no access to relatively good basic education but his has not shaken their resolve to dedicate themselves to the cause. Some of them have given up the opportunity to be transferred back to the cities for the sake of their cause. The wives of many of them, in order to support their husbands' cause, have given up their own specialties, undertaken all household chores, and made their contributions without others' knowing. Some have become sick from overwork but are still working day and night with such a strong will that they even forget food and sleep and have given up convalescence certificates issued to them by the party organization to others. And many more people "give up their whole lives after giving up their youth and give up their children after giving up their own lives." Hundreds of people at the base either pass their career to their sons or take over their fathers' career.

While a large number of older generation intellectuals, through their selfless dedication and strenuous struggle in harsh conditions, have created and constantly developed China's cause in surface-to-air missiles. A new generation of intellectuals have injected new vitality into the development of the missile cause through their strenuous struggle in harsh conditions. Since 1982, the base has recruited over 500 young college graduates. When on campus, they had fantasized about the base and longed to be part of it. But when they first arrived at the base, many of them were regretful and depressed. Whether or not the older generation intellectuals' spirit of strenuous struggle in harsh conditions and selfless dedication can be passed down to the young people, and whether or not the younger generation can quickly mature professionally with the guidance of the older generation experts, has a bearing on the future of our defense science and technology. In view of the problems that the young intellectuals encountered in ideology and

practical work, the party committee and old intellectuals on the base did a large amount of ideological work and provided a lot of guidance.

First, organizing young people to study the older generation's course of struggle to arouse in them the spirit of taking root in the Gobi Desert and dedicating themselves to the national defense. Each year, when recruits and new college graduates arrive at the base, the base party committee always organized that they: Watched a television documentary on the life and work of the officers and men on the base; visited the exhibition center on the history of the base and cemetery of revolutionary martyrs; attended lectures on the traditions and recollections of how the base was built; and that they listened to reports on the deeds of the older generation who "took root in the Gobi Desert and had themselves buried in the green hills after death," tackled difficult problems painstakingly, and gave their all to the cause. The purpose was to help them adopt a sense of pride, honor, and responsibility in dedicating themselves to national defense and a correct outlook on the world and life.

Second, conducting the activity of "three loves, four contentments." The party committee designated "love the Army, love the northwest, love the missile cause" and "work contentedly in the base, work contentedly in the grass roots, work contentedly at the points (testing observation points), work contentedly in one's post" as the content of the base's education on traditions. In view of the ideological problems during different periods, the party committee arranged such education with clear purposes. Discussions on "adopting a correct attitude toward suffering and happiness, honor and disgrace, dedication and demand, struggle and enjoyment" and "how to understand the value of army personnel and withstand the test of a hard life." Guidance was given to college graduates on the "four thinkings and four assessments": Thinking about the glorious achievements of the older generation intellectuals in pioneering the cause under harsh conditions and assessing whether one had firmly adopted the idea of strenuous struggle under harsh conditions; thinking about the fostering and care for oneself from the party and the people and assessing one's commitment to work; thinking about the duty and responsibility of Communist Party members and revolutionary soldiers and assessing whether or not one has played one's exemplary role well; thinking about the contributions one should make to the revolutionary cause and assessing one's attitude to work and standards of work.

Third, using the advanced models in arduous pioneering work to teach everybody. Since 1988, nearly 100 advanced model work collectives and individuals have been designated base-wide. Report meetings have been organized at which they are invited to share experience and deeds, to educate and inspire all others.

Fourth, installing the instructors' responsibility system of passing on knowledge, giving help, and providing guidance. Efforts were made to clarify: The object of

helping and guiding, on the basis of which contracts were signed; the contents of helping and guiding, including ideology, work style, and technology; the requirements of helping and guiding so that instructors and students respect and care about each other; and to clarify the methods of helping and guiding, activating development with projects and tasks, and integrating theory with practice. The building of the launch range and the development of the cause are the crystallization of the youthful and painstaking efforts of the older generation and middle-aged intellectuals. Their spirit of struggling strenuously under harsh conditions, studying assiduously, setting strict demands on themselves, and being willing to act as ladders for the younger generation, deeply influenced and educated batch after batch of young people.

Through the work done in these respects, especially impelled by the spirit of selfless dedication of the older-generation of workers on the base, a large number of college graduates directed all their enthusiasm to the missile cause. The noble moral excellence was distilled and reproduced in the younger generation. Female engineer Chen Yue [7115 6460], head of an office, graduated from Beijing College of Industry in 1982. On the big stage of the base, she found her own worth and devoted all her energies to her cause. Within a short time, she accomplished many complicated tasks with flying colors and was given a class three commendation. Young intellectuals like Chen Yue who carry a spirit of dedication are not few in number. They are in batches. Today, among the young intellectuals on the base, 85 percent have become key technical experts; nearly 100 have been awarded intermediate or senior academic titles; 391 have joined the party; 30 are leaders at or above the office level; over 90 percent have been awarded commendations; and nearly 100 have been designated outstanding intellectuals or outstanding scientific and technological cadres. They have won 23 scientific and technological achievement awards from the state or Army authorities. Aptly, they say: "We have our cause here which requires us young scientific and technological intellectuals to break new paths, forge ahead, make strenuous efforts, and create."

II.

In conducting defense related scientific and technological testing on a wasteland which since time immemorial has sprawled over an area of thousands of square miles, the first thing to settle was to create an environment suitable for human survival. Therefore, the tasks of logistic bolstering of the forces were extremely important. The pioneers of the base were fully aware that in such a harsh natural environment, it was ill-advised to depend entirely on supplies from the hinterland. They found it imperative to do something for themselves in order to have enough food and clothing. The party committee, in good time, raised the call for carrying forward the Yanan spirit, making unremitting efforts to become stronger in the harsh environment, and achieving something under difficult conditions. The

units were organized in an active and resolute effort to solve the inadequacy of vegetables without waiting for or depending on external help.

What a job it was to grow vegetables in the Gobi Desert! When they experimented with growing them, it often happened that the seedlings were destroyed by strong gusts of wind, green buds died of frost in cold spells, and a green cabbage would be parched to death if it was not watered for two days. They forged ahead despite the difficulties, sought expert advice, carried out research and experiments repeatedly after failures, and eventually found the way to grow vegetables in the Gobi Desert that suited its characteristics. First, they dug away the sand to make fields and improved the soil. They manually dug away the sand and stones, shovel by shovel and, also shovel by shovel, put in the new soil and fertilizers transported from dozens or even hundreds of kilometers away. Creating each mu of vegetable plot here required efforts and cost hundreds or thousands of times what is needed in the hinterland. Through the efforts over the years, the base has now reclaimed over 700 mu of wasteland and improved over 400 mu of soil. In order to raise and transplant the seedlings well, they built adobe walls to keep out the wind and covered the seedlings with plastic sheeting against the cold; wattled walls were erected around the vegetable plots and windbreak trees planted to ward off wind-borne sand or cold spells; and trellises from twigs and newspapers were built to prevent vegetable seedlings withering under the sun. Since there was no water for watering the plots, they saved dish water and the water for cleaning vegetables for this purpose. The industrious efforts paid off at last, with good harvests of vegetables. The base now grows 28 varieties of vegetables with an annual per capita output of 550 jin. They have enough vegetables and to spare in the peak season and are basically self-sufficient in the off season. They are self-sufficient in pickled vegetables all the year round. Wang Daogen [3769 6670 2704], reputed as "master vegetable grower" in the Gobi Desert, grows green bell peppers weighing 8 liang [400 g] each, eggplants weighing over one jin each, and cucumbers measuring 72 cm each. In 1991, the Air Force and the air force of the military region held, on separate occasions, on-site meetings on production, life, and logistic management in the grass roots. After seeing these vegetables, all the comrades attending the meetings praised what he had achieved as a great innovation and a miracle on earth.

In order to allow the officers and men meat to eat, they tapped their own resources and developed raising pigs by taking advantage of local conditions. They built pigsties by themselves, experimented successfully on growing alfalfa which suited the conditions in the Gobi Desert, and organized the officers and men to collect camel grass and gather fallen leaves and dried vegetable leaves. These were then ground and fermented to make pig feed, which solved the problem of an inadequacy of feed in the Gobi Desert. A batch of soldiers represented by Weng Xiaowei [5040 2556 0251], the "master pig rearer," have

summed up a set of tips for raising pigs on the Gobi Desert. Today, there is one pig to each 2.5 persons on the base and the annual per-capital output of meat is 59 jin. The development of vegetable growing and pig raising has markedly improved the livelihood of the broad ranks of officers and men.

For over 30 years, in order to improve the natural environment, the base has always taken afforestation as an important task. The broad ranks of officers and men, surmounting numerous difficulties and through such means as studying in other places and running training courses, have trained a batch of "local experts" who have the know-how about afforestation. They used the method of "growing trees on the outer circle against wind-borne sand, growing trees in the second circle for greening purposes, and growing flowers and other plants in the central circle for beautification," planting different trees in the different circles. Through strenuous efforts over a long period, the greening coverage of the camp area has reached more than 85 percent. The 1,000-li stretch of yellow sand of the past has been replaced by the oasis of today. This has not only effectively resisted the inroads made by the wind-borne sand but also greened and given the camp area a facelift, thus improving the microclimate there.

Although the material living conditions are constantly improving, the base party committee has also attached much importance to improving the conditions for cultural life. By now, all the grass-roots units have set up cultural activity centers, libraries and reading rooms, chess rooms, table-tennis rooms, snooker rooms, basketball courts, and volleyball courts and each of them has at least 15 pieces of sporting apparatus. Satellite ground reception centers and television relay stations have been set up in all the faraway and scattered stations. All the units are fully equipped with television sets, radio-recorders, and video players. All this has enlivened the cultural life of the units and contributed to stabilizing the attitude of the officers and men.

In recent years, the base has conscientiously implemented the "Provisional Regulations on the Logistic Management of Military Grass-Roots Units" and formulated the measures for implementing the said regulations. They go to the grass roots, spend money on the grass roots, send supplies to the grass roots, and do practical things for the grass roots, so that logistic management can operate according to relevant regulations and in an orderly way, contributing to the standardization of the grass-roots units. Enhancing the overall quality of logistic personnel is an important piece of work for improving the logistic safeguarding capabilities. At present, among the logistic personnel on the base, those who have received professional education or training make up 85 percent. A contingent of logistic managers who love their teams, are willing to work hard, know how to conduct logistic services well, and are good at management has been raised; as have batches of "petty technicians," "petty bricklayers," "petty veterinarians," "petty able persons," and "local experts." This

has strengthened the innate vitality of the grass-roots logistic management, enhanced the logistic safeguarding capabilities, and effectively contributed to the accomplishment of the assigned tasks of scientific experiments.

Through the assiduous struggle of generations of fighters on the Gobi Desert, green life has been born on the vast and boundless wild desert; numerous testing stations, observation stations, and launching positions are standing rock firm; various advanced optical, electronic, and laser surveying instruments, as well as computers, are glistening; and scientific research blocks, office blocks, and residential blocks stand row upon row. Though the conditions of the base remain harsh in comparison with the hinterland, a modernized testing base has, after all, been set up in the heart of the Gobi Desert and is playing an increasingly important role in the modernization of national defense.

III.

The most fundamental reason why the base can consistently educate people, transform the environment, and contribute to the cause of national defense is that it has given play to the role of leadership groups as the core.

The members of the base party committee show great dedication and a strong sense of responsibility for work. They think: As a member of the party committee, one must "promote the stability of the committee by showing one's own stability and promoting the stability of the whole force by demonstrating the committee's stability." The current base party committee has eight Standing Committee members whose average age is 47, of whom six have worked on the base for at least 20 years. They are dedicated to their career, pay little attention to fame or personal interests, conscientiously subordinate themselves to the overall interests, correctly approach and handle the relationship between personal interests and revolutionary interests, work contentedly in the Gobi Desert, and pioneer a cause under harsh conditions. Commander Zhang Dongsheng [1728 2639 0524] and Political Commissar Yang Xingliang [2799 5887 5328] have been posted at the level of divisional head for 10 years. On the balance between career and fame or personal interests, they have always put the weight on the career end. They have decided that they would work as long as the party wants and wherever the party places them and they would do their work well there. Comrade Zhang Dongsheng and his wife have been living in different places for a long time. When she had a pneumonectomy, he was organizing the testing of interception missiles on the range and was not distracted by the family emergency at the critical time. For many years, he has never taken a full home leave. When inspecting work in the grass-roots units, Political Commissar Yang Xingliang was suffering from a fever of 40 degrees Celsius and had diarrhea over 10 times a day. But he carried on with his work while taking the medicine and did not stop until the work was done. In the party committee, six comrades received telegrams at different times informing them that their close relations had been

sick or died but they all gave top priority to their work and gave up or postponed their trips home. The rule of the force says each person is entitled to a one-month frontier leave each year but they have never taken advantage of it, as their mind is closely bound up with the base. The officers and men said: The leaders of the base have set an example in struggling hard under harsh conditions, taking root in the base, and being willing to dedicate themselves, thus we have no reason to be discontentment with our work.

The base leaders are good at embodying the spirit of plain living and hard struggle in their practical work, so that each level sets an example for, and guides, the lower level in work. When working, they sweat as the cadres and men; in testing, they go to the very forefront and throw themselves in it together with the officers and men without sparing any effort. At the end of 1991, the base was given the task of testing three new types of missiles. Time was pressing and it was very demanding. When the testing entered the most intense stage, the temperature dropped drastically all of a sudden, which caused the heating piping to burst. Political Commissar Yang Xingliang led the personnel to carry out emergency repairs that very night, so that the testing could go ahead as scheduled. Commander Zhang Dongsheng and the scientific research personnel worked overtime for 11 straight days and nights in a row without leaving the machine room. For five days and five nights, they did not go to bed or have a meal in the canteen. When hungry, they would just bake a steamed bun and eat it with some pickled vegetable; when sleepy, they would just have a snooze in a chair. They did not stop till past 2200 on the New Year's Eve when the task was accomplished with flying colors.

Carrying out official duties diligently and honestly is the conscientious act of the leadership groups at various levels in the base. They uphold the principle of "being the first to do whatever we tell the troops to do and not to do whatever we tell the troops not to do." The base set up complaints collection boxes and complaint hotlines to solicit the opinions of the masses and subject themselves to the supervision of the cadres and soldiers. The leading cadres set strict demands on themselves, refrain from receiving special treatment in life, and enjoy exactly the same welfare benefits as cadres in party-government organs without taking any extras. When they visit the grass-roots units to inspect work, they do not drive in special cars but take the same car as the party-government cadres, eat in the same canteen as the soldiers, and have the same number of dishes. To meet the needs arising from receiving foreign guests, a relevant department once suggested buying an imported car but the party committee turned down this proposal. The base postponed the planned construction of a technical department office block and spent the funds on three residential blocks, which improved the housing conditions of the cadres. The honesty and self-discipline of the base party committee has exerted a positive influence among the masses.

The base party committee is fully aware that the foundation of Army building is the grass roots. Therefore, they always keep in mind the cadres and soldiers in the grass-roots units, put the well-being of the grass-roots officers and men in first place, and have formulated measures on strengthening the building of the grass roots. The first measure is to consistently maintain the one-to-one links between the cadres and the grass roots. The eight standing committee members are pegged with different grass-roots units so that the former can always update their knowledge of these units and give guidance to operations there. The second measure is to consistently post cadres to specific grass-roots units and keep them there until problems are solved. On average, each member of the Standing Committee stays in the grass roots for a minimum of 120 days a year, so that they have a good, true, and profound knowledge of the actual conditions and problems of the grass roots. The third measure is to consistently handle official business on the spot. Each quarter, the Standing Committee members bring work teams to the grass roots to solve practical problems. Over the years, they have raised some 1 million yuan to spend on the grass roots and basically solved such problems facing grass-roots units as housing, potable water, lighting, and heating. The result is that every grass-roots unit has a good canteen, a good vegetable garden, a good pigpen, a good storage room, a good washing-drying ground, and complete apparatus and utensils for the barracks. Once, when working in a remote company, Political Commissar Yang Xingliang discovered that a soldier was eating rice only without taking anything from the dishes. He found out that this soldier was of Hui nationality and though the company had tried various means to give him special treatment, sometimes they could not get anything that would suit his taste. The next day, Political Commissar brought five jin of mutton from his own home to this company, which deeply touched the soldiers.

Because of the special circumstances on the base, which is far away from cities, all sorts of ideological problems have also cropped up among the officers and men. For example, many young officers were jilted by their girlfriends just because they were in the Gobi. The families of many cadres have no jobs even though they have joined the Army. The striking contrast between the special economic zones and the hinterland and between cities and border areas in the context of commodity economy is causing mental conflicts for some people. In order to maintain the spirit of plain living and hard struggle in the base forever, the base party committee and leaders at various levels have consistently carried out in-depth and meticulous ideological work, educating and helping the cadres and soldiers to tide over the four difficult stages: "harsh environment, love and marriage, wives and children, demobilization and reemployment." The first measure adopted is to give full play to the role of party branches as fighting strongholds and the vanguard exemplary role of communist members, establish a mainstay ideological work contingent, and create a situation whereby everybody is engaged in ideological work.

The second measure is to integrate solving ideological work with solving practical problems which is, on the basis of conducting education and improving ideological understanding generally, to analyze existing problems one by one and adopt specific countermeasures. In order to solve the problem that young cadres cannot find girlfriends, the leaders at various levels have built up connections with local governments and women's federations or their affiliated organizations which help with the matchmaking. The relevant departments of the base, in light of actual conditions, adopt the method of low-wage extensive employment to settle the employment of most of the families of the staff. For those cadres who have practical difficulties at home and need proper arrangements, the party organizations would have personnel contact relevant local departments for some extra help. All this has struck roots in the hearts of the people. Many comrades said: Leaders are very thoughtful and considerate to our practical problems. In order to develop the missile cause of the motherland, we will, like red willows, take root in the vast Gobi and contribute to the modernization of national defense.

IV.

The spirit of the broad ranks of officers, soldiers, and scientific and technological personnel of the base in struggling strenuously under harsh conditions and dedicating themselves to their cause selflessly for the realization of defense modernization has been profoundly inspiring for us and offered us some important revelations:

1. To realize the modernization of defense science and technology, the spirit of plain living and hard struggle is indispensable. That the base could be built into a scientific and technological system with a relatively complete setup of classifications and make a series of achievements in scientific research was a result of the broad ranks of scientific and technological workers overcoming such difficulties as poor foundations, simple equipment, backward methods, harsh living conditions, and severe environment; relying on themselves; and painstakingly pioneering a cause. Without the spirit of plain living, hard struggle, and selfless dedication, there would have been no development of our country's surface-to-air missiles. Today, the conditions at the base have greatly improved. But in this new era and new environment, does the spirit of plain living and hard struggle need be maintained and carried forward? The answer given by the party committee and the broad ranks of scientific and technological workers of the base is, yes. They think that the spirit of plain living and hard struggle is a spirit of being brave in creating, forging ahead, dedicating, and sacrificing oneself and should be encouraged at all times. Today, though the defense science and technology of our country has greatly developed and reached a considerable level, it still lags behind the world level by a quite a big margin. Moreover, the development of science and technology brings changes with each passing day, making it necessary to double our efforts to catch up with and overtake the world level. When the productive forces of our country are not highly developed and its economic

strength is relatively weak, the realization of defense modernization still requires the spirit of plain living and hard struggle. Compared to the conditions on the base, the conditions in some units are much better but they have failed to achieve much in their work. An important reason is that they lack the spirit of plain living and hard struggle. Some units want money and material benefits only whenever modernization is mentioned. Though money and material benefits are important to the realization of modernization, the work performance will still be inadequate if the money and material benefits are there but the spirit of plain living and hard struggle is not carried forward. That is why Comrade Deng Xiaoping pointed out: The pioneering spirit of plain living and hard struggle is the indispensable precondition for the realization of the four modernizations. In different historical periods, the contents and manifestations of plain living and hard struggle are not all the same but the fundamental spirit is unchanged and applicable to all trades and professions. Therefore, the spirit of plain living and hard struggle is not outmoded and must be encouraged and promoted with energetic efforts.

2. In encouraging the spirit of plain living and hard struggle, leaders must set an example. The leading cadres at various levels on the base have the good tradition of charging at the head of their men and setting an example in work. They can mobilize themselves first, make contributions to work, and score some achievements; be the first to suffer and the last to enjoy life; and be honest and dedicated in their work styles and strict with themselves. In a word, in carrying out the testing of missiles, they can "forget themselves, forget their families, and forget their nearest and dearest." They go through all their trials and tribulations without regret, maintain a positive and uplifting mental attitude, and are pacesetters in all respects. Their down-to-earth practice is the most effective ideological-political work and the most powerful guarantee for stabilizing the troops mentally, mobilizing everybody's enthusiasm, and accomplishing various tasks. Compared with them, an important reason that some units cannot work efficiently is that the leaders of these units are unwilling to set an example in plain living and hard struggle and even seek personal gain by misusing their powers. A host of facts prove that during the period of reform and opening up, whether or not the spirit of plain living and hard struggle can be upheld and promoted in different trades and professions still depends primarily on whether or not the leading cadres at various levels can practice what they preach. Just as Comrade Deng Xiaoping said, carrying pioneering work painstakingly first requires our party members and cadres, especially our high-ranking cadres, to set an example. This is very correct and hits the crux of the issue. The leading cadres at various levels in all trades and professions are the organizers and leaders of our socialist modernization. Their attitude to plain living and hard struggle directly affects the situation in the regions, departments, and units under their leadership. Therefore, in order to realize socialist modernization in our country as soon as possible, it is necessary to

encourage the leading cadres at various levels to, like those on the base, take the lead in conscientiously carrying out the party's fine traditions, struggle painstakingly under harsh conditions, and dedicate themselves selflessly.

3. The spirit of plain living and hard struggle must be passed on from generation to generation. The achievements that the base has made during the past 30 years or more are a result of the consistent, unremitting efforts of the broad ranks of cadres, soldiers, and scientific and technological personnel through a number of generations. During this period, the leaders and the cadres and soldiers on the base have been replaced several times. Despite the constant changes in personnel, the hardy pioneering spirit has never been shaken and the cherished heritage of plain living and hard struggle has not been lost. This is a precious spiritual asset of the several generations of officers and men of the base in taking root in the Gobi and dedicating themselves selflessly. Undeniably, however, the young people today have little knowledge or understanding of the party's tradition of plain living and hard struggle. Therefore, special care should be taken to foster the spirit of plain living and hard struggle in the younger generation, to pass our party's fine tradition from generation to generation. We should, like the testing base: Constantly strengthen the ideological education on plain living and hard struggle, arouse the pioneering spirit of braving difficulties and being enterprising in the younger generation, and preserve the true character of plain living and hard struggle forever; pay attention to tempering through practice and let young intellectuals face the world and brave the storm in the grass roots and harsh environments, to temper their will and cultivate the spirit of bearing hardships and standing hard work; and consciously give heavy workloads to the young scientific and technological personnel in their work posts and let them take main responsibility, so that they can improve their abilities through practice and make achievements through hard struggle. Only by consistently doing so can we hand down the spirit of plain living and hard struggle from generation to generation, can they withstand all trials, can our party grow and flourish, can our cause develop vigorously, and can our grand goal be accomplished.

Economic & Agricultural

'Major Amendments' to Patent Law Envisioned

HK0210135492 Hong Kong CHING CHI TAO PAO in Chinese No 37-38, 28 Sep 92 pp 33

[“China Economic News” column: “Major Amendments to Patent Law Planned”]

[Text] Some major amendments will be made to the “Patent Law of the People's Republic of China,” which has been implemented for as long as seven years, so as to draw its protection level closer to international levels.

The above statement was made by Gao Lulin, director of the State Patent Office, when he explained the amendments and draft amendments of the Law.

According to the briefing, the concrete amendments will be concentrated on the following seven aspects:

- Broaden the scope of protection by the Patent Law. Patent rights will be granted to medicine, materials obtained using chemical methods, foodstuffs, beverages, and seasonings.
- Extend the protection period for patent rights. The period of patent rights for an invention will be extended from 15 to 20 years, and for an exterior [wai guan 1120 6034] design will be extended to 10 years.
- Stipulate that patentees have the right to import.
- Extend the effects of patent rights for a processing methods to products directly manufactured with this method in a bid to increase protection for processing method patent rights.
- Coordinate with the contents of provisions concerning the “Agreement on Intellectual Property Rights Related to Trade as Laid Down in GATT,” and again stipulate the legal conditions for implementing compulsory permits.
- Make an additional provision on priority being given to protecting local people so that Chinese applicants can enjoy the same rights as foreign applicants in China.
- Change the procedure for raising an objection before authorization to effecting an administrative revocation after authorization in order to speed up the granting of patent rights and safeguarding the rights and interests of patentees.

Deputy Trade Minister on Import Structure Reform

HK0210102792 Hong Kong CHING CHI TAO PAO in Chinese No 37-38, 28 Sep 92 pp 33

[“China Economic News” column: “Wu Yi, Deputy Minister of Foreign Economic Relations and Trade, Speaks on Reform of Import Structure”]

[Text] Wu Yi, deputy minister of foreign economic relations and trade, pointed out in an article she published recently that foreign trade structural reform this year will focus on expediting reform of the import management structure. The principal contents are as follows:

- Make further efforts to bring into play the role of the market regulatory mechanism and incrementally abolish state financial subsidies granted for a small number of import commodities.
- Give play to the role of tariffs in regulating imports, and reduce the overall level of tariffs. Along with

substantive progress in negotiations on restoring China's signatory status to GATT, China will reduce the overall level of import commodity tariffs to appropriate levels required by GATT for developing countries.

- Incrementally weaken administrative means of intervention, and exercise control over imports according to law. Of the 53 categories of import commodities practicing management by permit, 16 will be lifted in the near term and the scope of import commodities practicing permit management will be narrowed by two-thirds within two to three years.
- Intensify the transparency of statutes and policies with regard to the foreign trade management structure, and allow foreign businessmen to understand the legal procedures and concrete practices of exporting their commodities to the China market. So far, 47 effective documents have been promulgated and 122 have been revoked.

'Visibly Higher' Foreign Investment Trend in North

HK2909142592 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0754 GMT 20 Sep 92

[Text] Beijing, 20 Sep (ZHONGGUO TONGXUN SHE)—An authoritative analysis from China's State Statistical Bureau has maintained that foreign investments in China have shown a tendency to move northward this year.

Whether it be the number of newly-signed contracts, the negotiated amount of direct foreign investment, or the amount of actual direct foreign investment utilized, the growth rates in Tianjin, Dalian, Qinhuangdao, Yantai, Weihai, and other northern open cities have been visibly higher than in the southern cities during the first half of this year.

Reports have indicated that, as a result of the new surge in the use of foreign capital which appeared in the open coastal cities and special economic zones of China in the first half of this year, Dalian, 14 open coastal cities, and the four special economic zones of Shenzhen, Shantou, Xiamen, and Hainan have signed 4,067 new agreements on direct foreign investment, an increase of 1.2 times over that of the same period last year and an average of 23 contracts signed per day. The direct foreign investment involved in the contracts and agreements comes to \$6.68 million, increase of 2.5 times. Actual foreign investments utilized stood at \$1.65 million, an increase of 1.5 times.

The negotiated direct foreign investments grew comprehensively and dramatically, with growth rates in cities like Dalian, Qinhuangdao, Tianjin, Qingdao, Yantai, Weihai, Lianyungang, Shanghai, Ningbo, Fuzhou, Xiamen, Guangzhou, Shenzhen, Shantou, Zhanjiang, and Beihai doubling and redoubling. Nantong, Wenzhou, and Hainan Province also registered growth rates of 50

to 90 percent. The actual direct foreign investments utilized in Tianjin, Qinhuangdao, Shanghai, Lianyungang, Xiamen, Zhanjiang, Yantai, Weihai, Beihai City, and Hainan Province grew by 100 to 700 percent when compared with the same period last year.

Official Reports on 'New Surge' in Opening Up

OW0210092992 Beijing XINHUA in English 0848 GMT 2 Oct 92

[Text] Beijing, October 2 (XINHUA)—China is pushing forward its opening drive in an unprecedented pace by launching three major strategies in coastal and border regions and the Yangtze River valley.

A high-ranking official from the State Council's office in charge of special economic zones said that a new surge of opening to the outside world has come with two remarkable features.

The first one, he said, was the regions for foreign investment have been further broadened—almost all parts of the country can absorb overseas investment.

The other, he added, was fields of foreign investment have been greatly widened from production projects in the 1980s to real estate, commerce, monetary, insurance and other service trades as well as hi-tech industry at present.

As a major move in the opening drive, Hainan Province in south China granted in August Kumagai Gumi (H.K.) [Hong Kong] Ltd., the right to use and develop land covering 30 sq km in the Yangpu economic development zone.

The central government also announced in June that it will further open and develop 28 cities and four prefectures along the Yangtze River with the Pudong new zone in Shanghai serving as the head of the dragon in a bid to bring about economic take-off in interior regions.

In response to the central government's call, Zhejiang, Jiangsu, Hubei and Sichuan Provinces are working hard. Jiangsu Province decided to run an export-oriented and hi-tech industrial zone along the Yangtze River while Sichuan Province will develop rich water resources.

Meanwhile, the central government has approved 13 border cities as well as Harbin, Changchun, Hohhot, Urumqi and Kunming for foreign investment and they can enjoy preferential policies. So business and international economic activities are brisk in not only south China but also north China.

According to the Chinese Government, the state approved 17,343 foreign funded projects with a total contract value of 18.57 billion U.S. dollars in the first seven months of this year, 2.84 times and 3.34 times the figures of last year's same period, respectively.

The actual investment made by foreign business people during the seven months amounted to 4 billion U.S. dollars, twice the amount of last year's same period.

Ma Hong Views Features of Opening Up at Symposium

HK3009060092 Beijing GUOJI SHANGBAO in Chinese 13 Sep 92 p 1

[Article by reporter Chen Xueyan (7115 1331 3601): "Ma Hong on Basic Orientation of China's Reform, Characteristics of Opening up"]

[Text] An international symposium called "China—Trade, Finance, and Investment" was held in Shanghai on 8 September. Ma Hong, director of the Development Research Center under the State Council, addressed the meeting and stressed: China has taken a unique road in its economic restructuring which is different from other countries. The basic orientation of reform is to transform the highly centralized mandatory planned economic system of the past into a socialist market economy. Hence, market regulation has become a major component of overall economic activities.

Ma Hong said that China has two noticeable characteristics in its opening up to the outside world: First, it has successfully initiated special economic zones and economic development zones in open coastal cities; second, it is vigorously developing an export-oriented economy, and import and export trade volume has doubled and redoubled, growing from \$20.64 billion in 1978 to \$135.7 billion last year, which was an increase of 558 percent. The proportion of total import and export volume to the GNP increased from 10 percent in 1978 to 36.4 percent last year. In the 1990's, spearheaded by the development of Pudong, our country will make greater progress in widening and deepening our opening up to the outside world. Apart from continuously implementing coastal development, it is necessary to further widen the opening of areas along rivers and the border. We must further improve the investment environment and, in particular, strengthen the construction of the legal system, creating good legal conditions to protect the rights and interests of foreign businessmen and investors. We must widen the scope of contact between our economy and the international economy step by step in a selective manner, and allow foreign investors to start commercial enterprises. We must further open up our domestic market, cut tariffs levied on some products, and achieve transition to free conversion of yuan.

Meanwhile, at the same meeting, Li Guineng, deputy director of the Pudong Development Office under the Shanghai Municipal Government, proclaimed five policies concerning the development of Pudong: Allowing foreign enterprises to set up department stores, supermarkets, and other tertiary industries in the Pudong New Area; allowing the Shanghai Stock Exchange to issue Renminbi and B stocks, with self-examination and approval, for the development of Pudong; implementing

preferential policies in Waigaoqiao Bonded Zone, Pudong, such as an exemption from tariffs, exemption from permits, permission for setting up domestic and foreign-invested international trade groups, retainment of all foreign exchange by enterprises, and the free circulation of various currencies; and allowing foreign investors to open banks, financial companies, and insurance companies all over Shanghai. Moreover, Shanghai will be given greater autonomous powers of examination and approval from the central authorities in such aspects as initiating productive or non-productive projects and allowing enterprise to run their own import and export businesses in the Pudong New Area.

The "China—Trade, Finance, and Investment" international symposium is initiated and sponsored by "EUROMONEY" (ou zhou huo bi 2962 3166 6303 1578)—a noted U.K. journal. More than 400 Chinese and foreign figures in the financial, commercial, and political circles from over 20 countries and regions attended the symposium.

Border Cooperation Zone Set Up in Dandong City

HK3009060492 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 19 Sep 92 p 2

[Report by Tian Chunze (3944 2504 3419): "The State Council Approves the Setting Up of a Border Economic Cooperation Zone in Dandong"]

[Text] The State Council has officially approved the setting up of a border economic cooperation zone in Dandong City, which will implement the same policies as those in Heihe and three other border economic cooperation zones.

Bordering on the Huang Hai and the Korean Peninsula, Dandong City is the center of the Northeast Asian Economic Rim. As a coastal, border, and riverside area, it is the nation's largest border city with a fairly good industrial foundation and has a unique advantage in opening up to the outside world. In recent years, the city has made a lot of preparations in terms of building various infrastructural facilities, improving the investment environment, and introducing foreign capital. In the riverside development zone, the construction of which started in the second half of last year, a total area of 294,000 square meters had been opened by the end of last July; eight small functional areas, together with buildings covering 20,000 square meters, will have been completed by the end of this year. Up to now, 310 foreign and domestic firms have invested 400 million yuan. The Dandong city government has defined an overall concept for opening up to the outside world and comprehensively developing an export-oriented economy with the riverside and coastal districts as forward positions, the transformation of old city proper as the focus, sites places along communication lines as key locations to be urged to develop. The State Council's approval of the setting up of a border economic cooperation zone in Dandong City indicates that the city has

climbed a new rung and attained a new grade in opening up to the outside world. This will turn the central area of Northeast Asia into a new international investment and cooperation hot spot, and develop a pattern of overall participation and mutual complement in terms of advantages, with four other cities including Dalian in the south and Heihe in the north.

Official Urges Trying First, Standardizing Later

*HK3009031092 Beijing RENMIN RIBAO in Chinese
16 Sep 92 p 2*

[Article by reporter Pan Gang (3382 1511): "The State Administration for Industry and Commerce Decides To Promote the Development of Coastal, Riverside, and Border Areas"]

[Text] Beijing, 15 Sep (RENMIN RIBAO)—At a recent forum of the directors of industrial and commercial administrative bureaus of some coastal, riverside, and border cities, Liu Minxue, director of the State Administration for Industry and Commerce, said that this administration had decided to further expand the authorization on foreign-invested enterprises' registration, and to practice the principle of "first opening, then standardizing," with the aim of promoting the development of border trade as soon as possible. When something cannot be judged accurately for the time being, the principle of "first experiment, then popularization" should be practiced to guarantee the healthy development of reform and opening up.

Liu Minxue said: The State Administration for Industry and Commerce has decided that the authorization of foreign-invested enterprises' registration will be expanded at three administrative levels as long as they are up to the terms and conditions in the size of establishment, buildings for office use, and cadres' allocation and training. First, authorization will be provided for all industrial and commercial bureaus in provinces, autonomous regions, and cities directly under central government jurisdiction, and cities on separate listings; second, authorization will be provided for industrial and commercial bureaus in cities directly under provincial government jurisdiction in open coastal regions; and third, authorization will be provided for industrial and commercial bureaus in cities directly under provincial government jurisdiction in other regions where there are more than 100 foreign-invested enterprises. In addition, city-level industrial and commercial bureaus, which have been authorized, can decide to provide preliminary examination rights for county-level cities as well as cities, regions, and counties directly under provincial government jurisdiction, where there are many joint-venture, cooperative, and wholly-owned foreign enterprises.

Liu Minxue added: Now border trade is still in the period of taking off, so there is a need to practice the principle of "first opening, then standardizing" and to simplify all kinds of procedures. Standardization can

start after a certain scale takes shape. When something cannot be judged accurately for the time being, the method of "first experiment, then popularization" should be adopted. Work should be done steadily and in a down-to-earth manner to guarantee the healthy development of reform and opening up.

On making major efforts for the development of the individual and private economic sectors in the course of developing coastal, riverside, and border areas, Liu Minxue said: Relaxation is necessary in terms of policy. It is particularly necessary to develop individual and private economic sectors with a free mind in border trade and ethnic areas so that these economic sectors will really become important forces enlivening local economies. We should encourage individual industrial and commercial traders and private enterprises in coastal, riverside, and border areas to develop export-oriented economies, encourage them to develop "three come's and one compensatory" [the business practices of processing provided raw materials, processing according to provided samples, assembling with provided components, and conducting compensatory trade], and encourage them to do business abroad. We should allow them to do this as long as they abide by the law of the country they reside in and make money legally.

Liu Minxue asked industrial and commercial administrative departments in coastal, riverside, and border areas to be ahead of others in concepts and to have an enterprising spirit in work. Bold experiments should be carried out in light of the characteristics of these three kinds of areas in formulating and implementing policies and regulations.

Foreign Trade Progress Since Opening Up Viewed

*OW0210091392 Beijing XINHUA in English 0741
GMT 2 Oct 92*

[Text] Beijing, October 2 (XINHUA)—Chinese Senior Leader Deng Xiaoping's speech during his south China tour in last January has given a new impetus to the country's opening drive he initiated a decade-plus ago.

Two months after Deng's tour, the Chinese central government approved a major opening program in Hainan Island, in the South China Sea. This allows foreign businesses to lease, for up to 70 years, a 30 sq km tip of a peninsula called Yangpu, and develop it into an industrial center.

The initiators believe Yangpu's flat, open land and coastline for building deep wharves have irresistible attraction for foreign investors.

Work on Yangpu started in late June, by Kumagai Gumi (H.K.) [Hong Kong], a subsidiary of a giant Japanese construction firm of the same name, which won the right of development. Kumagai Gumi has pledged to commit 18 billion Hong Kong dollars to Yangpu within 15 years.

In another development, the Chinese Government in June decided to open 28 cities and eight prefectures along the Yangtze River. This will have a tremendous impact on the country's opening pattern since the Yangtze Valley, cutting through central China, produces one-fifth of the nation's Gross National Product (GNP).

This latest move is considered a natural follow-up of the opening in 1990 of Pudong, a 350 sq km area wedged between Shanghai and the sea at the eastern end of the Yangtze Valley. Development of Pudong is intended to revive Shanghai's former glory as the business center of the Far East, and boost the economy of the Yangtze Valley. Pudong's development has been carried out at a hectic pace, and many foreign investors have set up businesses there.

Opening to the rest of the world was laid down as a basic state policy in 1978. It got off to a bold start in 1980 with the establishment of four special economic zones along the country's southeast coast: Shenzhen, Zhuhai, Shantou and Xiamen.

This was followed by more opening moves in the ensuing years until 1989, when China had opened its entire coastal corridor—292 cities and counties, in an area equal in size to Britain and Ireland combined, with a population of 200 million.

By May of 1992, China had approved 50,274 foreign-funded enterprises, of which more than 20,000 were in operation. Pledged foreign investment totaled 63.35 billion U.S. dollars, of which 29.4 billion U.S. dollars were actually committed.

Last year these enterprises accounted for 4.9 percent of China's total industrial output. Their exports during the year reach 12 billion U.S. dollars, 16.7 percent of the national total.

Foreign investors have come from around the world. They include many world-famous firms: Pilkington Brothers, a British glassmaker; Philips of the Netherlands; Matsushita of Japan; Chia Tai of Thailand; McDonnell Douglas, Xerox and Motorola of the United States.

But Hong Kong has remained the biggest investor in the Chinese mainland, followed by the United States and Japan.

The last few years have seen the door opening in another direction, the country's contiguous neighbors. Border regions do brisk business with Russians in the northeast, Kazaks in central Asia, and Burmese and Vietnamese in the south.

With the open policy have come not only foreign capital, but technology and management expertise. As a result, Chinese products have become more competitive on the world market, and domestic consumers, for the first time in history, face an abundance of goods.

In the past 12 years, China's foreign trade more than tripled, to 135.7 billion U.S. dollars in 1991, from the 34th place in the world in 1978 to the 14th last year.

Exports shot up to 71.9 billion U.S. dollars last year, four times the 1980 figure. Formerly an exporter of mainly primary products, China last year earned 74.5 U.S. dollars from manufactured goods out of every 100 U.S. dollars worth of exports.

Deng Xiaoping's recent call is broadening the scope of door opening, too. Retailing, off limits to foreign businesses in the past, has already become a new field of foreign investment. Land and real estate development by overseas investors is booming along the coast. Foreign banks have set up shop in Shanghai's Pudong new area.

So, China's open policy, 12 years in progression, will continue, promising that the country will get prosperous faster, and become an increasingly active member of the world economic community.

Customs Issues New Measures for Auto Parts Imports

HK0110042392 Beijing ZHONGGUO XINWEN SHE in Chinese 1240 GMT 29 Sep 92

[Report by correspondent Wang Yan (3769 3601): "The General Administration of Customs Practices New Measures on Import Declarations for Auto Parts and Components"]

[Text] Beijing, 29 Sep (ZHONGGUO XINWEN SHE)—News from the Chinese General Administration of Customs today indicates that the administration, taking into account the current continuous increase in localities' imports of auto parts and components, has formulated new, convenient measures on import declarations for auto parts and components and their tax payment procedures to cope with the expansion of opening up, and to promote the development of the national economy, and foreign economic relations, and trade.

Previously, import declarations for auto parts and components and their tax payment procedures were handled by customs departments in 25 designated ports. Now, apart from providing more customs departments for import declarations and tax payment procedures regarding auto parts and components, the new measures stipulate that depending on the actual situation, when importing auto parts and components for auto production and repair, an auto manufacturing and repair enterprise may submit its import declarations and carry out tax payment procedures with the customs department (or the department in charge) in its locality if the enterprise finds it difficult to do so with the designated customs department, provided it obtains approval from the local customs department (or the department in charge) and agreement from the designated customs department. In addition, the measures also stipulate that import declarations and tax payment procedures

regarding auto parts and components imported by air need not necessarily be carried out at the designated ports.

State-Owned Enterprises Reform Wage System

OW0110144592 Beijing XINHUA in English 1357
GMT 1 Oct 92

[Text] Beijing, October 1 (XINHUA)—About 95,000 of China's state-owned enterprises have practised a new wage system which combines wage payment of enterprises with their economic efficiency, according to the Ministry of Labor.

These enterprises decide their wage payment in line with their own economic efficiency instead of by the administrative mandatory decision.

Among them, 16 industrial departments, five enterprise groups which have their own plan-making rights and enterprises from Fujian and Yunnan Provinces have adopted a system of comprehensive combination including the fields of tax and profit turned in to the state, the all-member labor productivity, profit rate, net output and other assessments.

An official from the Labor Ministry said that China will widely practise this new wage system in state-owned enterprises in all the provinces, autonomous regions and in all the industrial departments.

The central government will also give the local authorities and industrial departments certain wage administrative rights and make them play the role between macro and micro regulation and control, the official said.

Ningbo Opens Import-Export Broker Service

OW3009061292 Beijing XINHUA in English 0317
GMT 30 Sep 92

[Text] Ningbo, September 30 (XINHUA)—Foreign-trade enterprises in east China's coastal city, Ningbo, have been freed from the routine work of going through customs formalities as they can trust the work to a company which was set up here today.

The company, which works as an import-export broker, will also provide services on such items as storage, transportation, transfer and consultation.

Set up to meet the growing demand of the rapidly developing import and export businesses in Ningbo, the company has singled out the city to start its business.

Moreover, the company has set up a computer network connected with Ningbo customs.

1992 GNP Growth Estimated 'To Jump' 10

OW0210091592 Beijing XINHUA in English 0826
GMT 2 Oct 92

[Text] Beijing, October 2 (XINHUA)—China, the largest developing country in the world, maintains a fast economic growth with its GNP expected to jump 10 percent this year.

Economic specialists predict the industrial growth for the whole year will exceed 18 percent or possibly reach 20 percent.

Economists ascribed this strong developing trend to the result coming from Senior Leader Deng Xiaoping's call for fast economic development and wider opening to the outside world during the spring when he toured south-eastern China.

Deng's remarks served as a booster rocket to China's economic development and triggered the enthusiasm of the people and local government officials for economic reform, construction and foreign investment, they said.

Thus, China's economic development has entered into a fast speed track at present from a low speed track during the three-year economic rectification period.

The first half of this year saw a 12 percent growth in China's GNP which amounted to 1,000 billion yuan—agriculture up 6.7 percent, industry 17.5 percent and service trade 6.7 percent.

Observers hold that the above figures are optimistic and very encouraging because the world economy grew about 1.5 percent or two percent this year.

China is a big country with more than 800 million farmers. Therefore, agriculture is the foundation for the economic and social development.

Despite drought in some regions in spring, many regions have still reaped good grain harvests by making big efforts in infrastructure and field management, plus favorable weather conditions in summer.

Agriculture has laid a solid foundation for fast industrial development. It is growing month by month—21.2 percent in August on a year-to-year base. Similar growth reports come from different sectors—10 percent in state-owned industry, 25 percent in collectively owned sectors, nearly 40 percent in rural industry and over 40 percent in foreign-funded enterprises.

Industrial officials noted that such high industrial growth was boosted by a large amount of investment.

According to the State Statistical Bureau, the investment for fixed assets in the state-owned sector came to 200.2 billion yuan in the first eight months of this year, 36.4 percent higher than last year's same period.

With a boom in the real estate industry, investment in commercial housing increases dramatically—74.6 percent in August.

The high growth rate of investment aroused great concern from economists, wondering whether China's economy is overheating.

Zhai Yinglong from the State Statistical Bureau said that such a high growth rate is reasonable in the short term but it would lose balance in the long term and he called for great efforts in macro economic control.

As a head of the State Planning Commission, Zou Jiahua explained such a high investment growth in the country for following reasons:

- Part of investment is regarded as restoring [passage as received] because of the three-year economic austerity program;
- Construction of some key projects set in the Eighth Five-Year Plan has been launched and 101 large projects were approved by the State Council;
- Enterprises have enhanced their updating ability, and loans for technical transformation, commercial housing and service facilities rise at a fast pace;
- The country opens wider to the outside world and more foreign investment comes in and related domestic investment increases too;
- The financial market develops fast with larger amounts of stocks and bonds issued.

Although the state adopted some new measures to readjust the price system, market prices are basically stable owing to the balance between social demand and supply as well as ample goods in reserve.

The retail price index grew 4.9 percent in the first half of this year and it is estimated at six percent in the whole year, according to the government.

Officials from the State Statistical Bureau said that Chinese employees have pay increases as the national economy develops fast. The total payroll was reported to grow 14.7 percent in the first half of this year.

Reviewing the whole situation, China's economic development is rather positive and in good performance.

However, there still remain some problems such as large investment and credits, structure is not good enough, and economic results are not so good in some regions. Government officials said that the economic development is within the scope of macro control.

Land Leasing Becomes Important Income Source

HK3009031192 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0435 GMT 19 Sep 92

[Special dispatch by Wu You (1566 1636)]

[Text] Beijing, 19 Sep (ZHONGGUO TONGXUN SHE)—According to incomplete statistics provided by relevant departments in China, before April of this year more than 20 provinces, municipalities, and autonomous regions, as well as 14 cities listed separately for development, had carried out the experiment in leasing land-use rights, and some 1,500 stretches of state-owned land had been leased, involving 3,500 hectares of land, and rents amounting to 3.1 billion yuan.

However, according to an estimate by an authoritative person, the actual income earned by various localities in leasing land-use rights far exceeds this figure. In some localities, the annual income from land lease generally accounts for 25 percent of the total financial income, and sometimes, such income may be as high as 80 percent.

In these localities, income from land lease has become an important source of finance, and real estate is one of the local economic pillars.

A special commodity entering the market, land-use rights were an innovation by Shenzhen. On 17 September 1987, Shenzhen auctioned the first piece of state-owned land, hence the legal land market business in China. At present, the reform of the land-use system is developing steadily and actively. In cities like Shenzhen and Zhuhai, land supply has thoroughly adopted the leasing style. Li Hou, party secretary of Shenzhen, pointed out recently that the land of the special economic zone will all be leased by the end of this century.

In the leasing and renting of land, the land prices in different localities differ greatly. In a certain district in Shanghai, the average price of land is over \$130,000 per mu, while in another development zone, the average land price is \$20,000 per mu; in Shenzhen, the highest land price is 5,000 yuan per square meter, whereas the lowest is 30 yuan per square meter. Such a difference in price not only affects the interests of the renting party and the Chinese and foreign developers, but also affects the interests of the party leasing the land, that is, the interests of various local governments.

People have different opinions regarding the leasing price of land. Some people think that so long as foreign capital can be attracted to their places, future income is guaranteed, and a modern development zone will become available some years later. Thus, the transfer of land at a low price or gratis at this time is not a loss. But this view is criticized as shortsighted or even jeopardizing the state's interest, and the critics hold that the selling of land at low prices does not mean they can attract foreign capital, and that the crux rests on whether the environment of the real estate market is sound or not.

Vice Premier Zou Jiahua recently fully affirmed the experience acquired by cities such as Shenzhen and Zhuhai. He pointed out that the state must monopolize the power to lease state-owned land in centralized planning for urban construction, that is, monopolize the deals in the land property market, and practice the "five

centralizations" policy, that is, centralized planning, centralized taking over of land for use, centralized development, centralized management, and centralized leasing, so as to avoid loss of income from state-owned land, and to enable it to play the role in generating and accumulating wealth.

Salaries Reportedly Rise in First Half of 1992

HK2909150692 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1315 GMT 20 Sep 92

[Report: "Chinese Workers' Salaries Grow at an Average of 10 Percent in First Half of 1992"]

[Text] Beijing, 20 Sep (ZHONGGUO TONGXUN SHE)—Statistics provided by the State Statistical Bureau have indicated that Chinese workers received an average salary of 1,158 yuan for the first half of this year, an increase of 11.5 percent over that of the same period last year and a net increase of roughly three percent after deducting the price index for the employees' cost of living for the same period.

The rate of salary increase for units under the ownership of the entire people and under the collective ownership of towns and cities was slower than that of units under other forms of ownership. The increase in salaries was higher in units under all kinds of joint operations and under foreign-funded operations in cities and towns; employees in these units received salaries at the end of June which were 30.5 percent higher than those of the same period last year. Meanwhile, the rates of salary increases for employees of units under ownership by the entire people and under collective ownership of cities and towns in the same period were only 14 and 14.1 percent respectively.

The total salary levels in various regions all registered increases, but the highest salary growth was found in regions with faster economic development. Among the 12 regions whose salary increases were higher than the average rate in the entire country, six are coastal regions. The salary growth rate in Guangdong is 22.8 percent.

Analysis has shown that the principal reasons for the 21.4 billion yuan increase in the total amount of Chinese workers' salaries are the following: Increase in number of employees, increase in cash bonuses and cash awards, increase in the distribution of various kinds of subsidies, increase in the payment of price subsidies, increase in standard salaries, among others.

The experts from the State Statistical Bureau pointed out that, given the current efforts to inject vitality into China's economy, employees and workers have increased their income sources, which are also highly confidential. Income outside of regular salaries has grown faster than regular salaries. Consequently, the present "salaries" cannot illustrate the principle of distribution according to labor nor can they reflect the real living standards of workers and employees.

"3-Highs" Seen Way To Meet Changed Consumption

OW0210073292 Beijing XINHUA in English 0718
GMT 2 Oct 92

[Text] Beijing, October 2 (XINHUA)—China has chartered a new road for its development of agriculture—"producing high yields and high-quality products and achieving high economic efficiency" (known as three highs), according to agricultural officials today.

Under the pressure of feeding the world's biggest population, the country's agriculture used to focus on raising farm output. Today, however, high output alone is no longer enough. People demand better food in greater varieties; and China's modernization drive calls for greater economic efficiency.

Economists agree that agriculture has undergone the most dynamic changes in China in the past decade and more. Since 1989, China's agriculture has entered the second peak-growth period following the first in 1984. Although 16 million hectares of farmland was inundated by floods in 1991, the nation's grain harvest was the second best in history and good harvests of industrial crops were reported. "This shows the overall production capacity of China's agriculture has improved," says Chinese Vice Premier Tian Jiyun.

National grain output leaped from around 300 million tons in 1978 to 435 million tons last year. The country has achieved basic sufficiency in grain, cotton, vegetable oil seeds and sugar crops. Per capita grain output in 1991 was 378 kg, roughly the same as the world average. Per capita consumption of meat and fish has more than doubled and that of eggs, more than trebled, in the past 12 years. Today only a few percent of the country's population still rely on government financial aid.

With better standards of living, the people have become more choosy about their food. Both city residents and farmers are no longer content with just having enough to eat but want to have better and more nutritious fare.

But agriculture in many areas cannot cope with the changed consumption pattern. Some varieties of early rice of the shan type, for instance, used to be very popular because they are high-yielding, and after being steamed or boiled, make for bigger quantities of cooked rice. But, since these varieties of rice are rather coarse, urban people today prefer to buy rice of better quality at higher prices on the market, and most farmers no longer keep such rice as their food.

The fallen status of the once popular early shan rice is only one of the examples showing that the product mix of China's agriculture has to be readjusted. The problem of quality also exists in the production of meat, poultry, fruit and other farm products.

Largely due to a lack of sales channels, many farmers have found it difficult to sell their surplus grain and other products in recent years. Liu Zhongyi, minister of

agriculture, urged farmers to increase the output of fine-quality, saleable products as a solution.

Farmers' income has risen rapidly in the early and mid-1980s yet the rate of increase has slowed down. Farmers complain that, while they are producing more, their income does not go up at a corresponding pace owing to rising prices of diesel oil, farm machines, chemical fertilizers and pesticides.

"If farmers who account for 80 percent of the population do not become well-off, China will not be able to achieve the goal of enabling its people to lead a fairly comfortable life by the year 2000," says Vice Premier Tian Jiyun.

To help farmers, the central government has lifted the prices of major farm products several times in the past decade. At present domestic prices for cereals are on a par with those on the world market.

Economic planners realize that further income increases have to come from greater economic efficiency. More manpower will be diverted to rural enterprises, including food processing factories which increase the value of farm produce, and other non-agricultural occupations.

Developing a highly efficient agriculture, therefore, is considered a necessity. It is expected to enable farmers to meet the changing market demand and improve food supply on the one hand, and create conditions for a sustained growth of agriculture and farmers' income on the other.

Experience has been gained in some provinces for taking the new road of development, according to reports from a national agricultural conference held in Guangdong Province at the end of June.

One of the pace-setters is Guangdong, the first province allowed to practice flexible economic policies in China. The province, adjacent to Hong Kong and Macao, has orientated its agriculture to both domestic and world markets. It has reduced the acreage devoted to grain and sugarcane, opened new fish ponds and expanded the production of highly profitable crops such as tropical fruit, vegetables and decorative flowers. On the Pearl River Delta, 70 percent of able-bodied farmers have left the land and are employed in processing industries, service trades, commerce and other non-agriculture undertakings.

Though grain acreage in Guangdong was reduced, total output was up by 3.5 million tons in 1991 compared with a dozen years ago, thanks to higher per-hectare yield. On the Pearl River Delta, farmers' average annual income rose to 1,500 to 2,000 yuan per capita, more than double the national average.

The province has invested 2 billion yuan in building processing factories, refrigerating plants, cold storages and transport facilities. It exported farm products and processed farm products worth 2 billion U.S. dollars last year.

Jiangsu, Zhejiang, Shandong and Fujian Provinces in east China have also built highly efficient export-oriented farms and enterprises.

Through international trade and competition, China's agriculture is improving its product quality and economic efficiency. Participants to a Guangdong conference suggested that more foreign-funded agricultural firms be built and some areas along the coast designated as open agricultural zones.

State To Deregulate Grain Prices in 2-3 Years

OW0110135292 Beijing XINHUA Domestic Service in Chinese 1502 GMT 28 Sep 92

[By reporter Jiang Jun (1203 6511)]

[Text] Shanghai, 28 September (XINHUA)—A national meeting held by the State Economic Restructuring Commission and the Ministry of Commerce to exchange experiences in reform of the nation's grain circulation system concluded in Shanghai today. Bai Meiqing, vice minister of commerce pointed out: It is the current trend to deregulate grain prices and business operations. This reform, however, involves many sectors. We must formulate well-devised plans in advance and, upon their approval, carry them out steadily.

Bai Meiqing said: Spurred by the nationwide spring tide of reform, and following the raising of state-selling prices to match state-purchasing prices, the experimentation with deregulating of grain prices and business operations in selected areas has unfolded nationwide this year. Statistics show that more than 300 counties in 16 provinces and regions with a total population of 180 million have begun this experiment. A recent executive meeting of the State Council decided that it is necessary to seize the current opportunity to accelerate reform of the grain purchase and sale system, step up production of commodity grain, and leave grain products to market forces. As conditions are different from region to region, it is necessary to work out measures with local conditions in mind and decentralize decision-making powers. After taking into account the capacity of those involved to tolerate price deregulation, and making sure that the various support measures are in place, the provinces, autonomous regions, and municipalities directly under the central government may, if conditions permit, formulate a plan for implementing deregulation, and submit it to the State Council for approval.

Bai Meiqing indicated: According to the State Council plan, it is estimated that, except for a few poverty-stricken areas, grain prices and operations of grain departments will be deregulated incrementally across the nation within 2 to 3 years. This policy will first be carried out in the economically developed coastal areas and later in the hinterland.

He stressed: This is a reform that involves diverse sectors and will trigger a rather extensive chain reaction. Therefore, it is necessary to take positive, yet prudent steps.

We should conduct thorough research, formulate well-devised plans in advance, and publish them after they are approved. We must not undertake the reform in a perfunctory manner without proper preparations, thus leaving many unsolved problems. Reform of grain prices must be carried out in such a way that it will help promote grain production, enliven circulation, and guide consumption.

In the light of local experience shared at the meeting, Bai Meiqing urged the localities to pay attention to the following five issues while implementing grain price reforms:

First, they should select the reform programs and models most suitable to their conditions, taking into consideration their respective economic situations and ability to tolerate them. Retaining purchasing quotas and grain supply obligations during the transitional period is a good way to reassure people, both in the cities and the countryside. Even in areas where purchasing quotas are abolished, they should sign economic contracts with farmers for the purchase of part of grain output. This will not only help ensure grain supply for city residents, it is also a good way to provide the grain farmers with tangible benefits and information, and protect their enthusiasm for growing grain crops.

Second, they should properly handle the interests of different sectors. After grain prices are freed, we should continue supporting farmers growing grain crops and encourage them to readjust the crop mix; with regard to consumers, especially those with low incomes, we should see to it that their basic needs are met. As for grain departments, we must help them take care of the dated grain stocks and uncollected bills to effect a smooth transformation.

Third, it is necessary to establish a security mechanism after the deregulation. The most important thing is to set up a grain reserve system and price risk funds, which are indispensable for this deregulation.

Fourth, grain price relaxation should be carried out along with reform of enterprises and development of market mechanisms and the market.

Fifth, macroeconomic regulation and control and administration in the various trades should be stepped up following price deregulation. Before the plan for organizational reform is officially adopted, we should refrain from lightly abolishing grain administrative departments at various levels. The state-owned assets of grain enterprises are not allowed to be transferred.

National Meeting on State Farms Hears of Successes

OW0210093092 Beijing XINHUA in English 0749
GMT 2 Oct 92

[Text] Nanchang, October 2 (XINHUA)—State farms in China have achieved new successes this year in building an outward-looking economy, according to a national meeting here today.

In the first eight months of this year, the farms set up 226 Sino-foreign joint ventures and wholly foreign-funded enterprises involving a foreign investment of 180 million U.S. dollars. In the first half of the year, they exported goods worth 2.53 billion yuan (some 500 million U.S. dollars), up 31 percent over the same period of last year.

State farms were started in the 1950's by reclaiming wasteland. They used to suffer heavy losses as they relied heavily on grain production.

In the past decade, the farms have changed to develop a diversified economy incorporating industrial undertakings, farming, commerce and service trades. This greatly improved their economic returns. In recent years, they started to develop an outward-looking economy.

State farms in the coastal areas made efforts to enhance foreign-funded ventures and form export-oriented conglomerates. State farms in the rural areas of Shanghai, east China, set up businesses in Australia, Denmark and Mexico and established trade offices in the United States, Germany and Hong Kong.

Farms in the border areas went all out to enhance border trade with the Commonwealth of Independent States, the Democratic People's Republic of Korea, Vietnam, Laos, Myanmar [Burma] and Mongolia. Farms in Heilongjiang, Xinjiang and Inner Mongolia concluded a total border trade transaction volume of 320 million Swiss francs in the first half of this year, four times the figure for the same period of last year.

State Aids Farmers in Poor Northwest Areas

OW2909034492 Beijing XINHUA in English 0228
GMT 29 Sep 92

[Text] Lanzhou, September 29 (XINHUA)—Some 5.5 million farmers in northwest China's Dingxi, Hexi and Xihai areas, which used to be the poorest in China, are now able to feed and clothe themselves as a state program to help the poor has been carried out successfully in the past decade.

Commenting on the big changes, the local people said with feelings: "This is a major meritorious feat done by the central authorities for the poor."

Located on the loess plateau, Dingxi County of Gansu Province and the neighboring Xihai Prefecture of the Ningxia Hui Autonomous Region were notorious for their poverty owing to lack of water and adverse natural conditions.

In 1982, about 75 percent of farm households with a population of six million lacked enough to eat or wear and 2.51 million local residents and 2.17 million head of livestock had inadequate drinking water supplies.

In addition, every year the state had to supply the areas with nearly 100 million yuan worth of relief food and seven million yuan in subsidies for water delivery.

In consideration of this situation, the state decided in December 1982 to allocate 200 million yuan each year over the next 20 years to help poor farmers in the area to improve their living standards.

Meanwhile, the state involved areas in the Gansu corridor with good irrigation conditions in the help-the-poor program. Those farmers who lived in areas taxed by overpopulation and baffled by extremely adverse local conditions would be resettled in the Gansu corridor.

The program covered 47 counties with a total population of 10.8 million although many of the local people had been already living above the poverty line. Top concern on the part of the central authorities gave them great encouragement, and all the local residents immediately plunged into a gigantic battle against the elements.

With state funding, farmers in the poor areas have built 154 water conservation projects, bringing an additional 140,000 hectares of farmland into irrigation, and installed 12,000 km of electric lines, giving 95 percent of the towns and 80 percent of the villages in the locality access to electricity supplies, according to Li Zhong, an official in charge of the state program.

In addition, enough drinking water is now available to 1.8 million local people as 207 water supply projects and 400,000 wells have been completed in the locality. A total of 450,000 people have been relocated to settle in irrigated areas.

Local farmers have also been successful in planting trees and grass and promoting use of wood-saving solar and biogas stoves.

As a result, grain output in central Gansu and Xihaigu has grown rapidly. The grain output of the two areas increased from 810 million kg and 148 million kg to 1.64 billion kg and 520 million kg respectively. Farmers' annual per capita income increased from 72 yuan to 407 yuan in central Gansu and from 127 yuan to 385 yuan in Xihaigu. Despite of poor weather conditions this year, the locality is expected to get an even better harvest than last year.

With low living costs in the locality, more than 85 percent of local farm households have enough to feed and clothe themselves. For them, their century-old dream has been realized.

Today, the locals are continuing efforts to lift the remaining few out of poverty and build a still better life for themselves.

Jan-Sep Agriculture Performance Reported

OW2909091692 Beijing XINHUA Domestic Service in Chinese 1030 GMT 28 Sep 92

[By reporters Ma Chengguang (7456 2052 1639) and Pu Liye (5543 4539 2814)]

[Text] Beijing, 28 Sep (XINHUA)—Inspired by Comrade Deng Xiaoping's important talks during his south China tour, our country has since the beginning of this year implemented in an all-around way the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee on agricultural production and rural work, accelerating the pace of rural economic restructuring. As a result, we have brought about a quickening growth rate and a fine, vigorous situation after overcoming such unfavorable factors as serious natural disasters, continuing difficulty in selling major agricultural products, and declining prices.

According to a briefing given by the Ministry of Agriculture today, the cultivation of crops in our country has been seriously affected by various natural disasters, such as drought, low temperatures, plant diseases, and insect pests this year, but it is still expected to reap a good harvest. According to estimates, grain and cotton production may be able to fulfill this year's state plan, and the output of oil-bearing crops may be close to fulfilling the state plan. The development of several cash crops, such as flue-cured tobacco, silkworm cocoons, vegetables, and fruit, is good. Particularly the output of vegetables has increased, and their quality improved. The growth rates in animal husbandry and aquatic products industry have quickened. Livestock production is expected to keep growing for the 14th consecutive year. Total meat production is estimated to reach 32.5 million metric tons, and eggs 10.1 million metric tons, each increasing more than 1 million metric tons over last year. The total output of aquatic products is estimated to reach 14.6 million metric tons, an 8 percent increase over last year; aquatic products are expected to increase 1 million metric tons this year for the seventh year. Total meat output, egg output, and aquatic products output rank first in the world. Village and town enterprises have accelerated their growth, with good efficiency. According to statistics, the village and town enterprises' total industrial output value from January to August was more than 760 billion yuan, a 43 percent increase over last year. Their earnings from sales and their tax payments and profits have increased simultaneously, which each went up by 34.7 percent, 30.1 percent, and 30.6 percent in the first half of this year compared with the same period of last year. The village and town enterprises' total output value is estimated to top 1,400 billion yuan this year, up about 30 percent.

This year new steps have been taken in the readjustment of the agricultural product mix and the rural economic structure. Positive and proper policies have been adopted to guide the rural economy to be geared to market demand and to rationally readjust the industrial structure and the product mix in various localities, achieving initial results and maintaining the stability of the rural economy. In growing crops, arrangements have been made for "stressing stability and making small-scale readjustment." According to actual conditions, crop-growing areas have been reduced by over 24 million mu, and cash crop-growing areas increased by more than

11 million mu. As a result, the proportion of farmland sown to cash crops has increased from 17 percent last year to 18 percent this year, and the structure of grain and cash crops has been further rationalized. The acreage sown to long-grained nonglutinous rice has been cut down by more than 10 million mu because of its poor quality and unmarketability. At the same time, the acreage sown to soybean and high-quality rice has increased. According to incomplete statistics compiled in Guangdong, Zhejiang, Anhui, and three other southern provinces, the total acreage sown to high-quality rice topped 37 million mu this year, an increase of 17.9 million mu over last year.

Unprecedentedly vigorous efforts have been made to develop agriculture through the application of science and technology this year. This has accelerated the popularization and application of new technology and new achievements in scientific research. So science and technology are becoming an increasingly important factor in the development of the rural economy. Large numbers of peasants love science and are very enthusiastic about studying and applying it. A socialized rural network of services has begun to develop throughout the country. Many local technical service and dissemination organizations have disseminated technical knowledge while providing services, thus enhancing their service functions and capabilities.

Breakthroughs have been made in developing an export-oriented agriculture, and the amount of foreign-exchange earnings through export has quickly increased. Since the beginning of this year, vigorous efforts have been made to stabilize and expand the domestic market for products made in rural areas. At the same time, vigorous efforts have also been made to gear such products to the needs of the international market and to develop an export-oriented economy. Earnings through export have considerably increased. Village and town enterprises, which earn most foreign exchange for rural areas, have increased their earnings through export month by month this year. According to statistics, village and town enterprises' volume of export delivery in the first quarter of this year increased 50.7 percent over the same period of last year, that in the second quarter 61.4 percent, and that in the first half of the year 58.8 percent, 21 percentage points higher than the increase rate of output value. Village and town enterprises have rapidly developed an export-oriented economy not only in coastal areas but in inland and border provinces and regions as well.

The efficiency of the rural economy has improved, changing the situation in which peasants' incomes remain stagnant. Since the beginning of this year, the market has been guided positively, and the readjustment of the rural economic structure has been accelerated. As a result, marketable agricultural products with good economic results have been rapidly developed. This has improved the efficiency of the rural economy as a whole and increased peasants' incomes.

Regulations on Enterprise Accounting Work

OW2809223492 Beijing XINHUA Domestic Service in Chinese 0400 GMT 25 Sep 92

["Provisional" regulations on registered accountants carrying out relevant work of experimental joint stock enterprises—by the Ministry of Finance and the State Economic Restructuring Commission; 17 September 1992]

[Text] Beijing, 25 September (XINHUA)—Based on the "Accounting Law of the PRC" and the "PRC Regulations Governing Registered Accountants", as well as on the "Opinions on the Regularization of Limited Companies" and the "Opinions on the Regularization of Limited Liability Companies," which were issued by the State Economic Restructuring Commission, the following regulations are hereby established for registered accountants to conduct relevant work of experimental joint stock enterprises:

Article 1. Experimental joint stock enterprises referred to in these regulations are referred to limited companies and limited liability companies, including enterprises that are currently preparing to institute the joint stock system and are waiting for approval for doing so, experimental joint stock enterprises that need to be reorganized and need to reapply for approval, and newly established joint stock enterprises or joint stock enterprises reorganized from existing enterprises.

Article 2. All experimental joint stock enterprises referred to in these regulations should, according to these regulations, commit an accountant office that has been approved to conduct accounting work for experimental joint stock enterprises to manage their accounting work. Either local accountant offices or those in other localities can be committed to do this work.

Article 3. Only accountant offices that are established with the approval of the Ministry of Finance or the department (bureau) of finance of a province, autonomous region, or municipality, are qualified to conduct the work mentioned in Article 2 and to send registered accountants to conduct account auditing, document verification, and other accounting-related work for companies that are shareholders of limited liability companies or limited companies.

Article 4. In addition to meeting the requirements stipulated in the "Regulations Governing Registered Accountants," accountant offices conducting the accounting work for limited companies that have issued shares to the public or that have had their stocks listed also must meet the following requirements:

(1) These accountant offices must be established according to the law, must complete registration as legal persons, and must have relatively sound internal organizations and management systems. Branches of these accountant offices that are not legal persons are not allowed to independently conduct account auditing, document verification, or other accounting-related work for

companies that have issued shares to the public or that have had their stocks listed.

(2) Each of these accountant offices must have at least eight registered full-time accountants who have at least three years experience in account auditing and document verification, and must have a reasonable number of assistant accountants who have good professional knowledge. Registered accountants and their assistants at accountant offices conducting accounting work for companies that issue B-type shares domestically and have had their stocks listed outside the country must be proficient in a foreign language.

(3) These accountant offices must have reasonable numbers of financial experts, legal experts, and technical workers needed for managing businesses related to experimental joint stock enterprises.

(4) These accountant offices must have a good record of vocational ethics and reputation, and must have not committed major work mistakes or violations of vocational ethics for the past three years.

(5) These accountant offices must have established risk funds and must be able to undertake due economic responsibilities.

Article 5. According to the stipulations of Article 4, accountant offices assigned to conduct the accounting work of companies that have issued shares to the public or that have had their stocks listed should submit an application to a responsible finance department attaching a list of the names for their registered accountants. In their applications, they should detail their resources and provide written assurance for their vocational ethics and work discipline. These applications are to be submitted to the Ministry of Finance after they have been reviewed by the responsible finance department. After these applications are examined and found to meet established requirements, the Ministry of Finance is to issue a written approval and issue a certificate to the applicant accountant office for conducting the accounting work of joint stock enterprises, and a certificate to each registered accountant for conducting the accounting work of joint stock enterprises. The Ministry of Finance is also to use an appropriate method to announce its approvals.

If a registered accountant who works at an accounting firm which is authorized to practice accounting for stock-issuing firms and for firms which are listed on the stock exchange is transferred to work at an accounting firm which does not possess the credentials to practice accounting for the above firms, he or she should return his or her permit and is not allowed to practice relevant accounting work for the above firms; when a registered accountant who is transferred from an accounting firm which does not possess credentials for practicing accounting for the above firms to an accounting firm which has a credential for practicing accounting for the above firms, the accounting firm which has the credential to practice accounting for the above firms should

apply for a credential for him or her to practice accounting at the above firms; he or she may begin his or her practice only after being granted approval and issued a permit by the Ministry of Finance.

If auditing of accounts and verification of documents for an experimental share-holding enterprise, as required by law, are done by a registered accountant, but without approval from the Ministry of Finance or by a nonregistered accountant, the auditing and verification will not have legal effect.

Article 6. The range of work for a registered accountant at an experimental shareholding enterprise includes:

- (1) capital assessment;
- (2) checking and verifying the capital assessment results of a new shareholding enterprise or an enterprise that becomes an experimental shareholding enterprise through reorganization;
- (3) verifying invested capital for an experimental shareholding enterprise;
- (4) exercising regular auditing and verification of accounts, accounting statements, and other financial materials.
- (5) examining, verifying, and certifying bid invitations announced by limited liability companies.
- (6) assisting the issuance of stocks by experimental stockholding enterprises, including the issuance of A-shares and B-shares at home, the issuance of stocks abroad, and the handling of relevant financial accounting work;
- (7) assisting experimental shareholding enterprises in handling relevant matters arising from mergers or from the divisions of business operations, as well as preparing or checking relevant statements of accounts and other financial data;
- (8) assisting experimental shareholding enterprises in handling relevant financial accounting work arising from share transfers;
- (9) assisting experimental shareholding enterprises in handling closures and settlement of accounts, including checks on property, on creditors and debts, the examination and certification of reports of settlements, documents, accounting books, and statements of accounts;
- (10) double checking accounting reports, business operation reports, profit-sharing plans, and other financial data on behalf of the board of directors of experimental shareholding enterprises;
- (11) providing relevant management consultation;
- (12) other matters requiring the service of a registered accountant.

Article 7. State-owned assets management departments shall, according to the state's relevant laws and regulations, carry out examinations for accrediting accounting firms which apply for the business concerning assessing state-owned assets. The results of asset evaluation require confirmation by state-owned assets management departments or by their authorized organs.

Article 8. In cases where an accounting firm which is authorized to handle accounting for stock-issuing companies and accounting for companies whose stocks are listed on the stock exchange, is found to have ceased to meet with conditions for handling accounting due to serious work mistakes, serious professional ethics violations or to personnel changes, its competent financial organ shall investigate the situation of the concerned accounting firm and submit a report to the Ministry of Finance; the Ministry of Finance shall issue in writing the decision on cessation of the operation of the concerned accounting firm; it will ask the concerned accounting firm to return the certificate and adopt an appropriate way to publicize the matter.

Article 9. When handling relevant accounting work, registered accountants and business assistants at accounting firms which handle accounting for experimental shareholding enterprises shall strictly act in accordance with the "Regulations on Registered Accountants;" they should also strictly abide by relevant stipulations of the state concerning experimental shareholding enterprises, accept certification by the securities supervision and control committee with regard to the formats and contents of professional reports and suggestion forms. When practicing relevant accounting work, it is necessary for them to strictly observe the relevant stipulations, rules, and procedures compiled and published by the Ministry of Finance and by the Association for China's Registered Accountants concerning the exercise of the profession by registered accountants. They include:

- (1) "Rules of Examination, Verification, and Statement of Accounts for Registered Accountants;"
- (2) "Rules of Examination of the Qualification of Registered Accountants;"
- (3) Rules on Registered Accountants' Auditing and Verification Manuscripts;
- (4) Rules on Registered Accountants' Auditing and Verification Reports;
- (5) Rules on Registered Accountants' Auditing and Verification Plans;
- (6) Rules on Proposals for Management of Registered Accountants;
- (7) Code of Ethics for PRC Registered Accountants; and other relevant regulations, rules to be promulgated later.

Article 10. An accountant's report to be released by an enterprise experimenting in the share-holding system for

the purpose of issuing B Stock should, before its release, be referred to a PRC-registered accountant for examination and the issue of an auditing report. An underwriting bank outside China wishing to assign an accounting office outside China for auditing should first seek the consent of the authorities in charge of listed companies, and the underwriting bank should be responsible for the auditing fees. Such an accounting office outside China should be part of an international accounting company which has a permanent representative's office in China. A PRC-registered accountant and his counterpart outside China may cooperate with each other in the auditing process; however, a separate auditing report should be submitted. Subsequent auditing reports to be released annually after issuance of B Stock should continue to be referred to a PRC-registered accountant for examination and the issue of an auditing report. If the management body of a stock exchange outside China requires that an accounting office outside China be assigned for auditing, the listed company should proceed with the assignment and be responsible for the auditing fees. The above mentioned principle governing the assignment of an accounting office outside China should apply.

An enterprise whose stocks are traded in a stock exchange outside China should assign a PRC-registered accountant to handle its accounting matters and submit a report. Any reference to be made by the management body of the relevant stock exchange to the assigned accountant should go through the enterprise in question, which will bear the auditing fees. The above mentioned principle governing assignment of an accounting office and working relations between a PRC-registered accountant and his counterpart outside China should apply.

Article 11. Independence should prevail in relations between a registered accountant and the assigning enterprise, using the principles of avoidance and confidentiality. If a unit on which an accounting office relies happens to be a sponsor or shareholder of an enterprise experimenting in the share-holding system; or the responsible person in an accounting office and the responsible person of an enterprise experimenting in the share-holding system, or a responsible person in charge of its accounting, are closely related, or have vested interests or other relations which may affect professional impartiality, the accounting office should not accept auditing and verification assignments or other business from that enterprise. The same principle of avoidance should apply to a registered accountant in an accounting office, if their relations with an enterprise experimenting in the share-holding system are similar to those just mentioned. All personnel in an accounting office who deal with an enterprise experimenting in the share-holding system and fall under any one of the stipulations in Article 40 of "The PRC Civil Procedure Law (Provision)," should voluntarily avoid such dealing.

Article 12. An accounting office responsible for a listed company's accounting business, besides abiding by the provisions of Article 11, should not assign a registered

accountant, or his assistant, who is a shareholder of that company to audit or verify its accounts. Other avoidance clauses should also apply. A registered accountant who owns shares in a listed company should faithfully report to the accounting office he serves. His report should be recorded accordingly to ensure avoidance and prevent insider trading.

Article 13. Accounting offices which have been authorized to provide accounting services to enterprises experimenting with share-holding systems shall train their registered accountants and assistant accountants in order to help them understand the relevant state regulations and become familiar with work standards and procedures. When specialized credentials are required, accountants are required to acquire the proper credentials.

Article 14. Accounting offices which provide accounting services to enterprises implementing the share-holding system on a trial basis, in addition to strictly demanding that their registered accountants and assistant accountants abide by the relevant regulations, rules, and procedures, must bear legal liability for the work results of their registered accountants and accountant assistants and the reports made by them. Legal liability includes the following:

1. Economic compensation caused by mistakes at work: This includes accounting offices, registered accountants, and operators of enterprises, as well as those persons directly responsible for the enterprises. The amount of compensation shall be determined by the financial organ in charge of economic compensation. In case compensation is to be made to companies with listed securities, the financial organ in charge shall inform a securities supervisory and administrative organ of the amount of compensation which it has decided;

2. Where a registered accountant intentionally provides false, misleading reports or colludes with enterprise personnel to embezzle money, thus bringing financial losses to the enterprise or stock owners, their business income shall be confiscated. In addition, economic compensation shall be carried out in accordance with the previous paragraph of this article, and economic punishment shall be meted out to enterprise operators or persons directly responsible for the misconduct. An accounting office or a competent financial organ will be authorized to make decisions on economic punishment and order their implementation. Securities supervisory and administrative organs must be informed of the decisions;

3. Besides economic compensation and punishment, as mentioned in Section 1 and Section 2 above, the competent financial organ—depending on the severity of the case—is to decide whether or not to mete out administrative punishment to the accounting office, enterprise operators, and those persons directly responsible for the misconduct. This includes a warning to the accounting office, suspending its operation in order to rectify it, and ordering it to disband, and a warning to registered

accountants, temporarily suspending their professional practice and revoking their licenses. If the misconduct constitutes a crime, enterprise operators and persons directly responsible for it are to be turned over to judicial organs for prosecution according to the law; and

4. If incomplete state laws and regulations and the irrationality of relevant systems cause the work results and reports of registered accountants to be detrimental to the rights and interests of enterprises or stock owners, the registered accountants should explain the situation in their reports or in other written documents and ask the relevant departments to improve the laws, regulations, and systems.

Article 15. The financial departments or bureaus of the provinces, autonomous regions, and municipalities directly under the central government are authorized to draw up, in light of local conditions, specific rules for the implementation of these regulations, or to draw up supplementary provisions provided they do not contradict them. The implementation rules and supplementary provisions must be reported to the Ministry of Finance for the record.

Article 16. The Ministry of Finance shall be responsible for explaining these regulations.

Article 17. These regulations shall go into effect on the day of promulgation.

Financial Paper To Publish Sunday Edition

OW3009082092 Beijing XINHUA Domestic Service in Chinese 0306 GMT 28 Sep 92

[Text] Beijing, 28 September (XINHUA)—With the approval of the Bank of China and the China Press and Publications Administration, effective from 1993, JIN-RONG SHIBAO will be published seven days a week instead of six. There will be major readjustment in its coverage of the stock market. The newly added Sunday edition will be used to start "Stock News." A pilot Sunday edition devoted to stock news is published today [as published].

Information and other related services are in urgent demand for China's rapidly developing stock market. "Stock News" will be a source of new knowledge and information for the development of a modern, standardized and internationalized stock market to meet the increasing public demand for stock information. "Stock News" will also serve as a bridge and link within the stock industry, and as a useful companion for stock investors.

Yantan Hydropower Station Begins Operation

HK2909140092 Beijing RENMIN RIBAO in Chinese 17 Sep 92 p 1

[Article from the "Reform and Opening Up Bring New Outlook" column by staff reporter Zheng Shengfeng]

(6774 4141 0023): "Guangxi's Yantan Hydroelectric Power Station Put Into Operation"]

[Text] Nanning, 16 Sep (RENMIN RIBAO)—After 72 hours of successful trial operations, Guangxi's Yantan Hydroelectric Power Station, one of the state's key construction projects, was officially linked to the electricity supply network and began to generate electricity early this morning—one year ahead of the original schedule. This is our country's fourth largest hydroelectric power station with a power generating capacity of over 1 million kilowatts, ranking below the power stations in Gezhouba, Longyangxia, and Bashan.

The Yantan Hydroelectric Power Station is situated in the middle sector of the Hongshui He and is one of the 10 major backbone power stations to be built along the river. According to the 1984 budget, investment in the project amounted to 1.632 billion yuan, and the total generating capacity of the power station is 1.21 million kilowatts. As the power station has been put into operation ahead of schedule, it will alleviate Guangxi's power shortage, will hasten the construction of the transport lines from Southwest China to the coast, and will speed up the development of the large-scale aluminum production base in Pingguo, which is not far from the power station. The power station will also quicken the process of supplying electric energy from the Hongshui He to some areas in South China and Southwest China over long distances. The direct social and economic benefits created by the additional year's operation of the power station will also be substantial. It will generate additional electric power in the amount of 5.6 billion kilowatt-hours; this represents a savings of 2.4 million tonnes of standard coal. The additional industrial output value will reach 16.8 billion yuan, and 2.8 billion yuan of additional profits and taxes will be turned over to the state treasury. The reduction from the interest on one year's construction investment will amount to 50 million yuan.

The Yantan Hydroelectric Power Station was the first large-scale hydroelectric power station to carry out the pilot reform scheme of being built under the owner's contract responsibility system with the across-the-board adoption of the tender invitation system. In November 1985, the then Ministry of Water Resources and Electric Power was the institution charged with issuing the construction contract, and the Guangxi Electric Power Bureau undertook the contract. The two sides signed our country's first "project contract" on building a large-scale hydroelectric power station. The contract issuing unit promised to guarantee the supply of funds, materials, and equipment, and the contract undertaking unit promised to guarantee the investment, construction period, quality, materials, and safety. The new system effectively ensured the smooth completion of the Yantan Hydroelectric Power Station.

Opening Promotes Maritime Resources Exploitation

OW3009032192 Beijing XINHUA in English 0214
GMT 30 Sep 92

[Text] Beijing, September 30 (XINHUA)—China's decade-long drive of opening to the outside world has greatly promoted businesses in exploiting the rich resources in its territorial waters and in the waters of other countries through bilateral cooperation contracts.

In view of the over-worked conditions of the Chinese territorial waters, China started to cooperate with foreign countries in fishing operations. The first Chinese ocean fishing fleet started working off the coast of western Africa in 1985. After that, Chinese ships obtained contracts to work in the waters off North America, South America, the Middle East, and the southern Pacific. China and the countries involved all benefited from such operations.

The success of such operations can now be felt in the greater variety of fish products on the home market but some private vendors shied from marking the source of such products as most Chinese consumers are used to fish produced in Chinese waters.

The opening drive has been accompanied by enhanced trade links with foreign countries and as a result, there has been a greater demand for modern marine transport facilities. State and local governments have thus given top priority to the construction of ports and berths along the coast. By the end of the Seventh Five-Year Plan (1986-90), the country had 1,240 docks and berths.

Meanwhile, China's fleet of merchant ships are expanding, with their total dead weight tonnage now ranking eighth in the world, and they carry over 100 million tons of goods and materials to and from over 150 countries and regions in the world each year.

China's coastal areas have also witnessed a boom in using foreign investment in sea food farming ventures. There are now about 150 Sino-foreign marine breeding projects in Guangdong, Fujian, Shandong and Liaoning Provinces. The establishment of such foreign-funded enterprises has not only greatly enhanced the quality of marine products but also added a new source of revenue of hard currency for China.

For example, last year Liaoning and Fujian Provinces earned 395 million U.S. dollars and 200 million U.S. dollars, respectively, from the export of marine products.

In another move, Hainan, Guangdong, Fujian and Liaoning Provinces have started to lease large tracts of sea waters for foreign investors to develop.

China has also cooperated with foreign oil companies in offshore oil exploration since the early 1980s in the Bohai and Beibu Gulfs and the Yellow and Yingge Seas.

Last year, the output from offshore oil wells reached 16.37 million barrels comparing with 2.176 million barrels in 1980.

Chinese marine oil and gas exploration departments have benefited from cooperation with foreign oil companies.

Economic observers say maritime opening has not only sped up the course of China's marine development, but also shortened the distance between China and the world.

With land resources diminishing and the population growing, they pin their hopes on the further exploitation of the sea. They consider the 21st century the "era of the sea." With confidence, China is marching to this era.

Nation's Oil Reserves Exceed 400 Million Tons

*OW0210041492 Beijing XINHUA in English 0335
GMT 2 Oct 92*

[Text] Beijing, October 2 (XINHUA)—China now has found 400 million tons of proved petroleum reserves and its wish for finding more reserves during the Eighth Five-Year Plan period (1991-1995) may be fulfilled by the end of this, or three years ahead of time, according to the PEOPLE'S DAILY today.

The country planned to undertake 119 oil prospecting projects and drill 996 test wells, and during the first eight months of the year, 78 percent and 71.1 percent of the tasks were fulfilled respectively, much more successful than the same period of last year.

The existing oilfields in the eastern part of China have found sizable oil-bearing structures. Northwest China's Xinjiang Uygur Autonomous Region has been found to have major oil deposits while Shaanxi, Gansu, Ningxia and Sichuan have proved to have big gas reserves.

During the first nine months of this year, China's oilfields on the land produced 103.61 million tons of oil, 800,000 tons more than the comparable figure of last year. During the period, it produced 11.3 billion cubic meters of gas, 200 million cubic meters above the national quota.

China has imported advanced technology and equipment from abroad and has started to edge onto the

international market. It has obtained rights to extract oil and gas in Canada and the United States.

National Oil Firm Acts To Become Multinational

*OW3009040092 Beijing XINHUA in English 0313
GMT 30 Sep 92*

[Text] Beijing, September 30 (XINHUA)—China has made remarkable progress in the overseas expansion of the country's oil industry.

Officials with the China National Petroleum Corporation (CNPC) said that the corporation has already obtained the right to develop heavy crude oil reserves in Canada.

CNPC is also cooperating with nine leading international oil firms on solving technical problems for the development.

It has also bought an oilfield in the United States to develop reserves there with an American firm, said the officials.

According to the officials, talks on oil development with other foreign firms in a South American nation are under way.

The officials said all these projects are part of the CNPC's strategy to become a competitive transnational conglomerate.

They said China has the know-how and professionals to handle expansion involving oil and gas exploration abroad.

To accelerate oil exploration and development at home, the country is likely to open large oil-rich areas to foreign firms. For cooperation with foreign oil firms in areas in north and northwest China, a 10-member delegation from CNPC is now on an 18-day visit to Britain, Italy, Holland and Germany, said the CNPC officials.

The delegation will hold talks with oil companies in Europe on cooperation in China. While in Europe, the delegation will also buy materials and equipment for oil exploration and development.

Preparation on technology and contracting affairs for the opening of new areas to foreign firms is under way, said the officials.

East Region

Anhui Leader Stresses Training, Use of Young Cadres

OW0110095792 Hefei ANHUI RIBAO in Chinese 20
Sep 92 pp 1, 2

[Article by Meng Fulin, deputy secretary of Anhui Provincial CPC Committee: "Urgent Strategic Task and Important Historic Responsibility—On the Question of Training and Using Young Cadres"]

[Text] Comrade Mao Zedong pointed out as early as in the 1960's the importance of the strategic task of bringing up millions upon millions of successors to the socialist cause. The situation today makes the task even more urgent and more important. Comrade Deng Xiaoping pointed out in his important talks made during his southern China inspection tour: "If something wrong occurs in China, it will come from within the Communist Party. We should be sober about this matter and place stress on personnel training. Leaders should be selected according to the requirements of being more revolutionary, younger in average age, better educated and professionally more competent. People who have both ability and political integrity should be chosen to leading bodies. We say that our party's basic line should remain valid for 100 years, and we will rely on this to ensure long term peace and stability." Comrade Jiang Zemin pointed out in his speech at the rally celebrating the 70th anniversary of the founding of the Communist Party of China: "To a large degree, the future of the socialist cause in China hinges on how well the younger generation do." "We should carefully analyze the experience and lessons in our work concerning cadres, further reform the cadre and personnel systems, attentively listen to people's opinions and promote outstanding middle-aged and younger cadres who have proved themselves qualified in practical work to leadership positions without delay. This will ensure that government and state leadership at all levels are in the hands of those who are loyal to Marxism." To seriously study and comprehend these important talks and resolutely and conscientiously do a good job in selecting and training young cadres is of extremely great and far-reaching significance to ensuring a long-term peace and stability in both the party and the country and to promoting socialist reform and construction.

Fully Understand the Importance and Urgency of Training and Using a Large Number of Young Cadres

To pay attention to training and using a large number of outstanding and young cadres meets the needs of realizing the "three-stage" strategy of socialist modernization. At present, the whole province is seriously implementing the guidelines of Comrade Deng Xiaoping's important talks made during his southern China inspection tour and the series of the party central committee's instructions on accelerating reform, opening up, and economic development. The situation is very good.

Whether or not we can study and implement well these guidelines and instructions; guide, protect and give play to the people's enthusiasm; seize the opportunity to accelerate Anhui's economic development; and make the people in Anhui enter the 21st century with an even greater pride and join the people across the country in attaining the splendid goal of building socialism with Chinese characteristics is decided to a great degree by whether or not we can build up well the cadre force, boldly promote and use a number of outstanding young cadres who will work into the next century, and bring up a new generation of reliable successors in their hundreds of millions. The present situation shows that we have an urgent need of a large number of outstanding, pioneering young cadres to accelerate reform, opening up, and economic development. For this reason, it meets the needs of our cause and the situation to train and use a large number of successors who will work into the next century. Party committees at all levels, particularly their principal leading comrades, should have a sober understanding of this fact.

To pay attention to selecting and using a large number of outstanding young cadres meets the needs of ensuring successful elections and comprehensively strengthening the leading bodies this year and next year. Late this year and early next year, the province and all its cities and counties will elect new people's congresses, governments, and the Chinese People's Political Consultative Conference [CPPCC] committees, and some counties (cities) will elect their new party committees. A very important and urgent task during the elections is to strengthen the leading bodies at all levels by ensuring the cooperation between old and new cadres and the succession of the new to the old. In recent years, the party committees at various levels have paid greater attention to and done a great deal of work in training and using young cadres. A large number of young cadres have been trained and selected to leading posts. However, we should also see that the succession of new cadres to old cadres has not yet been achieved in some localities and organizations. In particular, the aging problem is quite serious in the leading bodies of party and government organizations at and above the county level, and the problem is even more conspicuous among the principal responsible persons of prefectures, cities, and provincial departments, commissions and bureaus. If we pay no attention to training a number of young cadres and selecting them to leading bodies at various levels, the aging problem of cadres and the failure in the succession of new cadres to old cadres will seriously obstruct the progress of all work in Anhui. So, we must pay attention to selecting a number of young cadres to fill the new leading bodies at various levels in accordance with the principle of making the leading bodies become more revolutionary, younger in average age, better educated and professionally more competent, and the principle of considering both moral integrity and ability. We must optimize the age structure and educational background of the leading bodies and solve their aging problem.

To train and use a large number of outstanding and young cadres meets the needs of maintaining long-term peace and stability in both the party and the country. The present international situation is very favorable to our acceleration of reform, opening up, and economic construction. However, we should also see that hostile forces abroad are stepping up their "peaceful evolution" strategy against us, and that the influence of bourgeois liberalization thinking still exists at home. We must not underestimate the negative effect of such a historical background on the young cadres, nor should we overlook the struggle over the younger generation between us and the hostile forces at home and abroad. We must not slacken our efforts in the training and education of young cadres. Comrade Deng Xiaoping has said: "In a certain sense, the key lies in 'man' as to whether or not Chinese affairs can be handled well, whether or not we can uphold socialism and the policy of reform and opening up, whether or not the economy can be developed more quickly, and whether or not the state can maintain long-term peace and stability." This shows how important it is to train qualified successors to the socialist cause and organize well the leading bodies at various levels. The party committees at all levels must have foresight and a sense of urgency, make efforts to seriously train, promote and use young cadres, and turn them into the successors who both the party and the people can trust.

Seriously Pay Attention to the Fundamental Task of Training and Education

The young cadres today are educated by the party and grow up in a socialist environment. Toughened by study and practice in the course of reform and opening up in the last decade and more, they are a generation full of promise, with a higher level of scientific and general knowledge, a pioneering spirit, and the ability to accomplish a great deal. Many of them have made outstanding achievements in the course of reform, opening up, and economic construction. However, we should also see that some young cadres lack adequate knowledge of Marxist theories and it is imperative for them to further improve their knowledge on relevant theories and current policies. Some young cadres still lack the proper knowledge, ability and leadership to meet the new situation of reform and opening up, perform the heavy task of economic construction, and handle complex circumstances and complex contradictions.

Party committees at all levels should realistically analyze the situation of young cadres and adopt effective measures to continue to train and educate young cadres. First, more attention should be paid to educating them in basic Marxist theories. Young cadres of the new generation should be successors to the socialist cause who will work into the next century. While they should have better scientific and general knowledge and better working ability, it is even more necessary for them to have a good ideological and political quality and the ability to distinguish between right and wrong in a complex environment. For this reason, we must educate

young cadres in Marxist theories in light of the reality of reform, opening up, and economic construction, and the reality of young cadres' mentality. Young cadres should seriously study Marxism-Leninism-Mao Zedong Thought and Comrade Deng Xiaoping's theories on building socialism with Chinese characteristics, and use them as ideological guidance for work and for strengthening spirit. We must study Marxist theories thoroughly and make them useful, and we must not be book worshippers. Study and education should enable young cadres to understand the essence of basic Marxist theories, use Marxist stand, viewpoint and methods in observing, analyzing, and handling new circumstances and new problems in real life, comprehensively implement the party's basic line, persistently regard economic construction as the central task, and more boldly promote reform and opening up. Young cadres should further bolster their socialist conviction, keep firmly in mind the party's purpose of serving the people wholeheartedly, and carry forward such fine traditions and work style as hard struggle.

Second, it is necessary to guide them to learn more economic theories and knowledge. Since economic construction is our party's central task, we will be unable to do good economic work and, still less, provide good leadership over economic construction if we know nothing about economics and economic work. Today, there are many things we do not know. With the rapid development of science, technology and new knowledge, a great deal of our old knowledge has become useless. Modern science and technology change with each passing day. If our cadres do not acquire new knowledge of modern science, maybe they can manage to do some work, but it is unlikely that they can do it well. The four modernizations require our party cadres, particularly young cadres, to make unremitting efforts to turn themselves into economic experts. Our cadres who are not directly involved in economic work should also pay attention to studying economics and management knowledge; otherwise, they will be unable to serve economic construction. In studying economics, stress should be put on studying Marxist economics and on learning modern scientific and general knowledge. In addition, we should read some western economic works, and learn from them anything useful to us.

Third, we should help young cadres absorb and gain more practical experience from work. A common problem facing young cadres is their lack of social and work experience. Specifically, young cadres who join party and government organizations immediately after graduation are conspicuously lacking in practical experience. True knowledge and talent stem from practical experience. Party committees at all levels and relevant departments must temper young cadres by systematically sending them into the thick of reality. This will let them continually improve themselves and mature by "learning how to swim while swimming" and by gaining firsthand information on reform, openness, and construction.

Fourth, we should guide and help young cadres foster a party spirit and improve themselves ideologically. We should underscore demands in two areas in light of the actual state of young cadres. First, cadres should commit themselves to the program of reform and openness, dedicate themselves to the cause of modernization, and lead the masses in a continuous hard struggle for economic development and social progress. This is an important way to improve the party spirit in the new situation. Second, they should further sharpen their public-mindedness, constantly bear in mind the goal of serving the people wholeheartedly, and carry forward the party's good traditions and strategies of linking theory with practice, establishing close ties with the masses, and boldly conducting criticism and self-criticism. They should take care of the people in all matters, always think of the public's well-being, rely on the masses in everything they do, cherish the people in every way, remain in touch with the public at all times, prevent and overcome bureaucratism, and wield power wisely on behalf of the people.

In intensifying the training and education of young cadres, we should take reality into account, make unified plans, take a multifarious approach, adapt measures to local circumstances, and proceed gradually at various levels. In some cases, we should increase the workloads of young cadres, let them conduct work independently and responsibly, and allow them to improve their skills in practice. In other cases, we should let them undergo training and gain leadership experience in various localities and at different posts through exchange programs and the rotation of duties. We should also send some of them to cadre or party schools for training without engaging in productive activity, in an effort to improve their party spirit and widen their knowledge. We should send different groups of young cadres who are inexperienced in grass-roots work to local units for intensive training. With specific goals in mind, we should send promising young cadres from party and government organizations—particularly young and middle-aged cadres who are about 40 years old—to work in grass-roots units or at selected sites. This will allow them to conduct work for the central authorities and to improve their organizational, coordinating, and policy-making capabilities through practical training. Authorities at all levels and various departments must formulate more plans for training, hiring, and appointing young cadres, and they must concentrate on implementing those plans.

Boldly Promote More Young Cadres to Important Leadership Posts

The appointment and recruitment of outstanding young cadres is an important step to open up new prospects for reform, openness, and economic development. It represents the hiring policy of the new era. Party committees and organization departments at all levels should further emancipate their minds, renew their mentality and concepts, broaden their horizons, and implement the policy conscientiously and effectively.

We should discard old concepts and appoint young cadres without any misgivings. We still face considerable obstacles in cultivating and promoting young cadres. One of these obstacles is the "leftist" influence. Some cadres invariably "distrust" and "doubt" "controversial" young cadres who exhibit a highly pioneering spirit and who carry out reform boldly. They would rather appoint "docile" cadres with no distinguished track records. They would never promote apparently intractable cadres whose job performance is brilliant. A second obstacle is the seniority-based promotion policy. We tend to promote comrades who try to "seize their last promotion opportunities" because we believe that young cadres from 30 to 40 years old have ample opportunities for advancement. This practice usually affects the promotion of young cadres. A third obstacle is our rather limited outlook. In judging an individual's qualifications, we tend to adopt a narrow outlook, fail to widen our horizons, confine ourselves to parochial concerns, and judge people by the old yardstick. We cannot promote only those comrades we know well. Instead, we should quickly promote people who work seriously, diligently, and brilliantly. We should follow the mass line, recruit skilled personnel from all sources, and select politically reliable, economically proficient, and professionally competent comrades from various sectors. Specifically, we should pay attention to discovering and recruiting personnel from the economic front, the scientific and technological sector, and localities that perform their work well. Party committees at all levels should firmly abandon their outdated concepts of promoting cadres according to seniority and of accommodating the interests of all cadres. They should also discard their prejudices against young cadres and adopt a flexible promotion policy. They should never label as "arrogant and conceited" young cadres who dare to maintain their correct views and entertain independent ideas. They should not regard as immature and inexperienced the actions of individuals who dare explore, experiment, and innovate. They should never describe as "impetuous and reckless," "publicity-seeking," and promoting disunity and conflict the actions of individuals who show a boldly pioneering and enterprising spirit, who maintain their principles and make suggestions, and who bravely fight against unhealthy practices. We should not judge the qualifications of cadres by their diplomas and assess their capabilities by their ages and lengths of service. We should adopt a liberal policy to promote and recruit young cadres freely. We should also quickly promote to leadership posts cadres whom we assess correctly. This will allow them to perform proper functions, exercise appropriate power, fulfill their duties independently and responsibly, and mature gradually in the course of practical work. We should further encourage senior cadres to adopt the sound practice of enthusiastically helping young cadres assume leadership posts. Senior comrades should have full trust in newly appointed young comrades, assume a stringent attitude toward them, actively increase their responsibility, impart experience, and offer sincere assistance and support so that they can perform their tasks fearlessly.

We must boldly use young, mentally emancipated cadres who have an exploratory spirit. Our reform and opening up programs and economic construction need young, sharp-minded, and innovative cadres who understand economic affairs and have managerial expertise. Party committees at all levels should pay attention to discovering and promoting people with talents. When we use or promote young cadres, we should examine their performance in handling such major issues as implementing the party's basic line and expediting reform, opening up, and economic construction; whether or not they are mentally emancipated; their determination and gumption in implementing the party line, principles and policies; and their achievements in spiritual and material construction. We should promote into leading bodies those young cadres whom the public acknowledges as upholding the line of reform and opening up, so that people will feel we are serious with reform and opening up. For those young cadres whose performance in reform and opening has been exceptional, we should give them important assignments to fulfill. For those whose performance is remarkable, we should promote them unconventionally. For those enterprising cadres who are dedicated to reform and who have accomplished significant successes in that area, but who have shortcomings in one way or another, we should also dare to use them as long as their attitude in approaching major issues is correct; but we should also make greater efforts to educate them and guide them when we use them. For those young cadres who have made mistakes, we should warmly assist them and guide them. We should not require them to be perfect, much less should we berate them. We must firmly correct the unhealthy phenomenon that "troublemakers are treated better than onlookers, and onlookers are treated better than doers." We must never permit those who do not care about reform, and who do nothing, to find fault with those who do. We should never give important assignments to any of those who are incompetent, who follow their leaders' cue, who do not hold themselves responsible to the masses, who are interested in establishing connections, and whose lip service is much better than their actual performance. While using and promoting young cadres, we should also pay attention to promoting those who are female, who are not party members, and who are minority nationalities.

We must reform the system governing cadres' personnel affairs, and uphold the principle that cadres must be more revolutionary, better educated, younger in average age, and professionally competent—as well as the principle that cadres must measure up ethically and professionally, so as to create an environment facilitating the cultivation and promotion of young cadres. To judge whether a cadre measures up ethically and professionally in the new reality, we should observe his attitude toward the party's basic line and his actual performance in implementing the line. Comrade Deng Xiaoping pointed out in 1978: "What are the political requirements in selecting someone for a job? The major criterion is whether the person chosen can work for the good of the

people and contribute to the development of the productive forces and to the socialist cause as a whole." Thus, development of the productive forces should be one important criterion for judging a person's ethical performance. The reform of the system governing cadres' personnel affairs must keep pace with the requirements for economic construction, reform, and opening up. Mechanisms governing competition, incentives, and control must be incorporated with the management and use of cadres so that we will have a system capable of arousing cadres' enthusiasm and encouraging people to come forward and demonstrate their talents. We should boldly assimilate and emulate the useful aspects of foreign countries' personnel systems. We must take note of the new situation, study new issues, explore new ways, accumulate new experiences, and make every effort to accomplish the urgent assignment of cultivating, promoting, and using young cadres.

Anhui CPPCC Committee Reelection Resolution

OW0110131792 Hefei ANHUI RIBAO in Chinese 18 Sep 92 p 1

[Unattributed article: "A Resolution on Several Problems Concerning the Forming of the Seventh Provincial CPPCC Committee Adopted by the Standing Committee of the Sixth Anhui Provincial CPPCC Committee at its 27th Session on 17 September 1992"]

[Text] The term of the Sixth Anhui Provincial Chinese People's Political Consultative Conference [CPPCC] Committee, formed in January 1988, will expire in January 1993. A term renewal election will be held at the beginning of next year, in accordance with the charter of the provincial CPPCC Committee and in light of actual conditions in the province. A resolution on some problems on forming the seventh provincial CPPCC committee is hereby adopted:

1. Concerning the guiding ideology governing the term renewal election of the committee. During the term renewal election of the provincial CPPCC committee, it is necessary to hold aloft the banners of socialism and patriotism, unswervingly carry out the basic line consisting of the CPC's "one central task and two basic points" and the policy of unified planning with due consideration of all concerned, demonstrate the spirit of great unity, and extensively unite representative personages of all circles in a bid to help consolidate and perfect the multiparty cooperation led by the CPC and the political consultation system. To meet the needs of the policy of reform, opening up, and economic development, we should absorb into the committee more people who have made contributions to the cause of reform, opening up, economic development, and scientific and technological progress, and who are influential and enthusiastic in the CPPCC work. It is imperative to actively encourage cooperation between senior and junior members of the CPPCC committee and the replacement of the former by the latter, and further improve our members' political quality and their ability

to participate in government and political affairs. Through the term renewal election, we should play the full role of the CPPCC committee in political consultation and democratic supervision, better serve the purposes of maintaining political stability and unity, of promoting socialist modernization, reform, and opening up, of improving socialist democracy and legal system, and of fostering the ideas of "one country and two systems" and "peaceful reunification of the motherland."

2. Concerning the size of the CPPCC committee and the ratio of CPC members, democratic parties' members, and nonparty personages. The seventh provincial CPPCC committee will remain the same size as the sixth provincial CPPCC committee, with around 730 members. The standing committee members of the seventh CPPCC will, in principle, account for 15-20 percent of the total members. But the number of standing committee members will not exceed 140. A total of 710 CPPCC committee members and, among them, 130 standing members will be arranged for the first session of the seventh CPPCC committee. Among the CPPCC committee members, CPC members will not exceed 40 percent; members of democratic parties and nonparty personages will be not less than 60 percent. Among the CPPCC standing committee members, CPC members will not exceed 35 percent; members of democratic parties and nonparty personages will be not less than 65 percent. Among the CPPCC committee members, female members will be not less than 10 percent; ethnic minority members will be not less than 5 percent.

3. Concerning circles from which CPPCC committee members are selected and the quota for each circle. The seventh provincial CPPCC committee, like the sixth committee, will select its members from 30 circles. The arrangement for the committee members of the first session of the 7th committee is as follows: 40 for CPC members, 34 for members of the Revolutionary Committee of the Chinese Kuomintang, 39 for the China Democratic League, 21 for the China Democratic National Construction Association, 29 for the Chinese Peasants' and Workers' Democratic Party, 19 for the Jiusan Society, 11 for the China Association for Promoting Democracy, 8 for the China Zhi Gong Dang, 15 for nonparty and patriotic personages, 14 for members of the Communist Youth League of China, 28 for members of the All-China Federation of Trade Unions, 25 for members of the All-China Women's Federation, 8 for members of the All-China Youth Federation, 24 for members of the All-China Federation of Industry and Commerce, 8 for members of the All-China Federation of Taiwan Compatriots, 9 for members of the All-China Federation of Overseas Chinese, 19 for members of the China Association for Science and Technology, 40 for scientific and technological personnel, 15 for social science personnel, 18 for agricultural and forestry personnel, 25 for personnel from the economic field and enterprises, 40 for cultural and art personnel, 45 for educational personnel, 14 for personnel from sports

circles, 45 for medical, pharmaceutical, and public health personnel, 9 for press and publication, 4 for members of the Chinese People's Association for Friendship with Foreign Countries, 15 for ethnic minority personnel, 7 for personnel from religious circle, 82 for specially invited people, totaling 710 members.

4. Concerning the CPPCC committee members' election process. The members of the seventh provincial CPPCC committee will be elected, in accordance with relevant regulations, by the recommendation of all democratic parties, mass organizations, and all departments and sectors concerned with coordination by the office of the provincial CPPCC committee in charge of term renewal affairs. Based on the principle of adequate democratic consultation, the draft resolution for nomination will be examined by the meeting attended by chairmen of all committees of the provincial CPPCC committee. The draft resolution will then be turned over to the standing committee of the sixth provincial CPPCC committee for a final decision.

Jiang Chunyun Addresses Scientific Congress

SK0110152492 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 27 Sep 92

[Text] The Fourth Congress of the Shandong Provincial Association for Science and Technology was ceremoniously opened at Dongjiao Hotel in Jinan on the afternoon of 27 September. Attending the opening ceremony of the congress were provincial leaders, including Jiang Chunyun, Zhao Zhihao, Gao Changli, Li Chunting, Li Zhen, Liu Guofu, Dong Fengji, Wang Runzhai, Lu Maozeng, Zeng Chengkui, and Yuan Bo. Liu Shu, secretary of the Secretariat of the China Association for Science and Technology, attended the congress to extend congratulations on the occasion.

Jiang Chunyun, secretary of the provincial Party Committee, delivered a speech in which he said: The key to concentrating on successfully fulfilling the three key tasks of developing the export-oriented economy, making the tertiary industry prosperous, and of having science and education make the province prosperous lies in successfully fulfilling the task of having science and education make the province prosperous. Therefore, we must further upgrade our understanding of the importance of developing scientific and technological undertakings, enhance our sense in science and technology, deeply master the meaning that science and technology are the first productive force from the high plane of integrating theories with practice, and consciously orient the economic construction onto the track of relying on scientific and technological progress and upgrading the laborers' quality.

Jiang Chunyun pointed out in his speech: To develop science and technology, we should emphatically do a good job at present in grasping the following four points: First, efforts should be made to accelerate the shifting of economic guiding ideology and to ensure the realization of the first-phase strategic target after having oriented

the work emphasis of the entire party onto the track with the center of economic construction. Further orienting the economic construction onto the track of relying on scientific and technological progress and upgrading the laborers' quality at present not only represents the need of fulfilling the second-phase strategic target but also will lay a solid foundation for fulfilling the third-phase strategic target. Second, efforts should be made to continuously deepen the reform in scientific and technological systems, to further enlarge the self-determination right of scientific and technological research units, to continuously enforce or improve the responsibility system among directors of research institutes and units, as well as the system under which directors hold responsibility for the attainment of certain objectives during their tenure, and the system of contracting research projects and business management. Departments responsible for the work should change their function, simplify their administration, delegate their right to grass-roots level units, and support the scientific research units to establish a new operation mechanism. Scientific research units involved in the development projects should follow the integration among science, industry, agriculture, and trade. They may become economic entities and operate enterprises independently. They may also set up associations with enterprises by becoming shareholders to commonly achieve development and become industrial entities of scientific research by enforcing the stock share system on a trial basis. The scientific research units involved in the social benefit projects should actively expand their service fields and operate new scientific and technological industries, such as scientific and technological consultation, information, and services. They should enhance the capability of self-development through the paid service, continuously and flexibly conduct deregulation among scientific and technological personnel, and encourage these personnel to enter the main economic battlefield and to give full play to their own talent in developing the commodity economy. Third, we should uphold the guideline of conducting economic construction by resolutely relying on science and technology, as well as having science and technology part of economic construction, while accelerating the pace of scientific and technological progress. We should boldly import advanced technologies, equipment, and managerial experience; accelerate the existing technical renovations of enterprises; and improve enterprise management. Efforts should be made to vigorously organize the scientific research for overcoming technical difficulties, to strive to score more results rapidly, to quicken the popularization and spreading of scientific and technological results, and to turn these results into practical productive forces as soon as possible.

Fourth, efforts should be made to accelerate the intelligence development and the training of talented personnel in order to create a large pool of top personnel. We should bring into full play the role of the five personnel contingents in the research and development institutes of large- and medium-sized enterprises, in the scientific research units attached to governmental

departments and to the higher educational institutions, in the central scientific research units stationed in the province, and in the people-run scientific and technological entities, as well as the role of more than 2 million specialized technical personnel, so that we can use their abilities to the fullest and have all talented personnel give full play to their talent.

In conclusion, Jiang Chunyun stressed: Efforts should be made to bring into full play the important role of the association for science and technology in the scientific and technological work. Party committees and governments at all levels should realistically enhance or improve their leadership over the work of science and technology; be good at publicizing the party's line, principles, and policies through the channel of associations for science and technology; enhance the contacts with scientific and technological personnel; and bring into play the enthusiasm and creativeness of these personnel.

Shandong Leaders Attend National Day Gathering

SK0110150792 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 29 Sep 92

[Text] On the evening of 29 September, Jinan Bayi Assembly Hall was colorfully decorated with lanterns and full of laughter. A festive atmosphere of jubilation and warmth could be seen everywhere.

Party, government, and Army leading comrades happily gathered together with the cadres and the people of various circles in the capital and representatives of commanders and fighters of the People's Liberation Army and the armed police forces to attend the film reception on warmly marking the 43d anniversary of the founding of the PRC, cosponsored by the Shandong Provincial Government, the Jilin Military Region, and the Jinan City Government. Present at the reception were Jiang Chunyun, secretary of the Shandong Provincial CPC Committee; Zhao Zhihao, deputy secretary of the provincial party committee and governor of the provincial government; Zhang Wannian, commander of the Jinan Military Region; and Song Qingwei, political commissar of the region. Also present at the reception were Gao Changli, Ma Zhongcai, and Li Chunting, deputy secretaries of the provincial party committee; Liang Buting, chairman of the provincial advisory commission; Li Zhen, chairman of the Standing Committee of the provincial People's Congress; Li Zichao, chairman of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC]; Lu Maozeng, member of the CPC Central Committee living in Jinan; Tan Qilong and Su Yiran, members of the Central Advisory Commission living in Jinan; and Li Farong, member of the Central Discipline Inspection Commission. Tan Fude, Han Qikai, Dong Fengji, and Chen Jianguo, Standing Committee members of the provincial party committee; Liu Peng and Liu Zhongqian, vice chairmen of the provincial advisory commission; Wang Chengwang, Wang Runzhai, Zhu Yongshun,

and Guo Shuzhi, Standing Committee members of the provincial advisory commission; Lu Hong, Wang Shufang, Yan Qingqing, and Miao Fenglin, vice chairmen of the Standing Committee of the provincial People's Congress; Zhou Zhenxing, Qi Wenyuan, Kong Lingren, Ding Fangming, Wu Fuheng, Bo Linggang, Wang Zunong, Zhu Yingheng, Miao Yongling, and Zhai Yongbo, vice chairmen of the provincial CPPCC committee; Zhang Zhijian, Yan Zhuo, and Lin Jigui, deputy commanders of the Jinan Military Region; Qu Jining and Cai Renshan, deputy political commissars of the region; Yang Guoping, chief of staff of the region; Jiang Futang, director of the political department of the region; Hao Baoqing, director of the logistics department of the region; Yang Hanwen, political commissar of the air force of the region; (Yan Shoufang) and (Shang Jilin), official leading comrades of the region; Yi Yuanqiu, commander of the provincial military district; Liu Guofu, political commissar of the district; Zang Kun, chief procurator of the provincial procuratorate; Zhang Jingtao, Song Yimin, Zhu Qimin, Ma Lianli, and Han Bangju, special advisers to the provincial government; Zhao Lin, Gao Keting, Qin Hezhen, Wang Jinshan, and Wang Zhongyin, veteran comrades of the province; Pan Qiqi, Zhang Rusan, Zuo Qi, Zhao Bingang, Wu Guocai, Li Suiying, Zhang Zhi, Zhang Feng, Aouyang Ting, Zhang Jihui, and Ju Hongyun, veteran comrades of the Jinan Military Region; and Xue Yutang, acting mayor of Jinan city.

Before the reception, party, government, and Army leading comrades happily gathered at the lounge of the assembly hall. Amid a warm atmosphere, they extended festive greetings to one another and jointly talked about the inseparable relations between the Army and the people. They spoke glowingly of the gigantic achievements in building socialism over the past 43 years since the founding of the PRC, particularly over the past 14 years since the implementation of the reform and open policy, talked freely about the gratifying changes in various fronts and Army building in Shandong under the guidance of the guidelines of Comrade Deng Xiaoping's important talks during his tour of south China, expressed their cheerful feelings of the upcoming 14th Party Congress. They unanimously pledged that under the leadership of the CPC and in accordance with the guidelines of the upcoming 14th Party Congress, they would guide the Army and the people of the province to further emancipate the mind, grasp favorable opportunities, speed up the pace of reform, opening up, and modernization; make new contributions to rejuvenating the economy, developing society, and building a revolutionary, modern, and regular Army; and capture a big victory in building socialism with Chinese characteristics.

A Chinese feature film was shown at the reception.

Shanghai Leaders Host National Day Reception

OW0110140992 Shanghai People's Radio Network in Mandarin 1000 GMT 30 Sep 92

[From the "News and Weather" program]

[Text] Shanghai municipality hosted a grand reception at 1730 today at the Shanghai Exhibition Center's central lounge to warmly celebrate the 43d founding anniversary of the PRC.

The brightly lit Shanghai Exhibition Center central lounge was decorated for the occasion. Large Chinese characters announcing the "National Day Celebration" hung in red above the central lounge.

Municipal leaders attending the reception included Wu Bangguo, secretary of the Shanghai Municipal CPC Committee; Shanghai Mayor Huang Ju; leaders of the Shanghai Garrison District and People's Armed Police Corps; and some veteran comrades.

Huang Ju proposed a toast at the reception.

Also attending the reception were people from various countries who are visiting Shanghai, officials and their wives from various foreign consulates, and foreign experts working in Shanghai, as well as their family members.

North Region

Li Ximing Speaks at Family Planning Conference

SK0110141392 Beijing BEIJING RIBAO in Chinese 23 Sep 92 p 1

[By trainee Meng Wei (1322 3634): "Family Planning Is an Important Link to Ensure Economic Development"]

[Excerpt] The municipal party committee and the municipal government held the municipal family planning work conference on 22 September. Li Ximing, secretary of the municipal party committee, and Chen Xitong, mayor of the municipality, attended the conference and made speeches. He Luli, vice mayor of the municipality, gave a report on family planning work:

Since the beginning of this year, the municipality has again made new progress in family planning work on the basis of consolidating the achievements scored last year. According to the statistics compiled by the family planning department, from January to August this year, 53,300 babies were born throughout the municipality, 2,200 babies fewer than the figure at the same period last year, or a decline of 4.01 percent. Unplanned births were brought under control. The conference stressed: While speeding up the economic construction and development of capital, we should further grasp the family planning work and better submit and orient the family planning work to the capital's economic construction.

After extending cordial greetings and thanks to all levels of cadres working hard on the family planning posts, Li Ximing, secretary of the municipal party committee stressed: Being a difficult task, family planning is really a major event and important link to speed up reform, opening up, and economic development, to improve the overall quality of the population, and to promote the

progress of society. To make family planning work a success, we must appropriately handle the relations between family planning work and economic work. The economy is the central task and must be firmly grasped with great endeavor. When the economy is beefed up, the family planning work cannot be relaxed. When population is brought under control and the people's quality improved, economic development will be promoted. On the contrary, if we fail to get population growth under control, the economic and social development will be affected and hampered even if the economy is beefed up. Therefore, we should try every possible means to lower the birthrate. In grasping the family planning work, we should not harbor the idea of relaxation. If we relax, problems will occur. Family planning is a fundamental policy of our country. We should firmly grasp it by doing a good job in the fields of propaganda, organization, technical measures, and ideological and political work. Principal leading comrades of party committees and governments at all levels should personally take a hand in this work, should attend to grasping family planning work just as they do in grasping economic work, and should make good arrangements for the work in all fields. [passage omitted]

Li Ximing Presents Awards at CPPCC Function

SK0110153892 Beijing BEIJING RIBAO in Chinese 23 Sep 92 p 1

[By trainee Meng Wei (1322 3634): "The Municipal United Front Commends Advanced Collectives and Individuals"]

[Text] On 22 September municipal leaders, including Li Ximing, Chen Xitong, and Bai Jiefu, presented awards to the representatives of 40 advanced collectives and 395 advanced individuals.

The second commendation meeting in honor of the advanced collectives and individuals emerging on the united front is jointly sponsored by the municipal Chinese People's Political Consultative Conference [CPPCC] Committee, the municipal united front Work Department, the eight democratic parties, and the municipal Federation of Industry and Commerce. Of these commended advanced collectives and individuals, some are members of democratic parties and the Federation of Industry and Commerce, who have stood together through thick and thin over the past several decades with the CPC and been the CPC's friends who have given forthright admonition to the party. Some are the CPPCC members who have given play to their characteristics in devotion to economic construction. Some are nonparty personages who have made nothing of hardships in enhancing the construction of democracy and legal systems. Some are returned Overseas Chinese and family members of Taiwan compatriots, who have extensively engaged in overseas affairs in promoting the motherland's reunification. Some are the personages of various social circles, who have done good jobs in

popularizing scientific and technological results, rendering advisory services, and conducting nationalities' and religious affairs.

During the meeting, Li Ximing, secretary of the municipal Party Committee, delivered a speech on behalf of the municipal Party Committee and the municipal People's Government, in which he extended congratulations and respect to the awarded representatives. He said: Under the encouragement of the spirit of important speeches given by Comrade Deng Xiaoping and of the plenum of the CPC Central Committee's Political Bureau, various democratic parties as well as the relevant mass organizations and personages of various circles have actively joined the municipal Party Committee and People's Government in consulting and discussing relevant important policy decisions in line with the center of enhancing the reform, opening up, and economic development. They have actively gone deep into reality to carry out investigation and study and to present suggestions and plans to the party and government. They have also brought into play their intelligence strong points in carrying out the activities of various advisory services and made the best use of their overseas relations to help the relevant units introduce capital, technologies, talented personnel, and managerial experience, by acting as go-betweens. Some comrades have gone to rural and border areas to popularize the scientific and technological results to make agriculture prosperous and to carry out intelligence support for border areas. All of them have scored gratifying achievements in their work that are favorable for the consolidation and development of the united front and will forcefully promote the capital to improve its reform, opening up, and economic development to a new level.

Li Ximing stressed in his speech: The united front is assuming glorious but arduous tasks in unswervingly implementing the party's basic line of "one center" and "two basic points" and vigorously quickening reform, opening up, and economic development. It can accomplish a lot in these tasks. There is a galaxy of talent, the density of intelligence, and the wide range of overseas relations among the democratic parties, the relevant mass organizations, and nonparty personages. All of these will play a great role or exert great influence in building the economy, conducting reform, and opening to the outside world. Successful experience and effective styles that will be fostered by the united front through the several year practice in the future in rendering services for reform, opening up, and economic development, should be steadily upheld and popularized. It is also hoped that comrades should be bold in exploration in the new historic period and practice; boldly engage in experiments; and vigorously create new methods and experience for better serving reform, opening up, and economic development.

Li Ximing said: The people throughout the municipality are going into action in further pushing forward the municipal work in various fields in line with the high-standard demand to greet the successful convocation of

the 14th CPC Congress. We should do a good job in conducting various work for National Day. Efforts should be made to develop the capital's good situation in politics and the economy and to fulfill or overfulfill the tasks of production and construction.

Bai Jiefu, chairman of the municipal CPPCC Committee, presided over the meeting. Those attending the meeting were leading comrades, including Jiang Minkuan, Meng Zhiyuan, He Luli, Feng Mingwei, Guan Shixiong, Sun Fuling, Li Bokang, Xu Jialu, Zhu Chenyu, Chen Zhongyi, Gan Ying, and Lu Zhichao; and responsible persons from the democratic parties, the Federation of Industry and Commerce, and the mass organizations.

Tianjin Delegation Visits Inner Mongolia

SK0110141592 Tianjin TIANJIN RIBAO in Chinese 23
Sep 92 pp 1, 2

[Text] Leading comrades of the Inner Mongolia Autonomous Region and the delegation from the Tianjin municipal government recently held a meeting to share their experiences in the development of economic construction and discuss the ideas and intention to strengthen economic and technological cooperation.

Wang Qun, secretary of the Inner Mongolia Autonomous Regional Party Committee; Bu He, chairman of the autonomous regional government; Wu Liji, deputy secretary of the autonomous regional party committee; and Liu Zuohui, Lin Yongsan, and Song Zhimin, vice chairmen of the autonomous regional government, met with all the members of the Tianjin municipal government delegation, of which Nie Bichu, mayor of Tianjin, was the leader, and Han Enjia, adviser to the Tianjin municipal government, was the deputy leader.

The major purposes for the Tianjin municipal government delegation to visit the Inner Mongolia Autonomous Region were to emulate, serve, and cooperate with the region and to discuss with it the ideas and specific matters on further strengthening their lateral cooperation.

During the meeting, leading persons of both sides reviewed their economic cooperation. Tianjin municipality and the Inner Mongolia Autonomous Region have established good economic ties since long ago. Over a long period of time, they have supported and relied on each other. Their economic cooperation has become even closer since the endeavor of reform and opening up was initiated. In particular, a delegation from the Inner Mongolia Autonomous Regional Government visited Tianjin in May this year, and both sides signed the "summary of meeting on further developing regional economic cooperation," thus bringing about more substantial and tangible progress in their efforts to strengthen lateral ties and expand the spheres of cooperation. Based on the principle of consultation on an equal basis, mutual benefit, the best use of all favorable conditions, and common development, the region and the municipality signed and executed 669 contracts for economic and technological cooperation projects, of which

359 were economic cooperation projects. In the 10 years from 1981 to 1990, Tianjin imported 589 million yuan worth of materials from Inner Mongolia, and its commodities and materials worth 74.9 million yuan were sold in Inner Mongolia. For example, Tianjin invested 1.5 million yuan to build a wood pulp production base in Inner Mongolia's Zhalantun, thus not only promoting development of a local timber processing industry, but also resolving Tianjin's urgent need for paper-making materials. The Tianjin Timber Company invested 2.5 million yuan in Inner Mongolia's Yakeshi Forest administrative bureau, and Inner Mongolia provided Tianjin 67,000 cubic meters of timber in the form of compensation trade. Tianjin and Inner Mongolia also conducted very successful cooperation in the areas of vehicle assembling, furnace burden, and wool washing. The Inner Mongolia Lida International shopping center currently under construction will play a positive role in making the economies of Tianjin and Inner Mongolia flourish and promote their commodity circulation.

During the meeting, Tianjin and Inner Mongolia reached a common view that they could supplement each other to a very great extent. Located in the northern frontier of the motherland, the Inner Mongolia Autonomous Region covers 1.18 million square km, accounting for 12.3 percent of China's total area. Its border is as long as 4,200 km, and Manzhouli and Erenhot are important outlets to Russia and Mongolia. Inner Mongolia boasts extremely abundant natural resources, and nearly 100 minerals have been verified there. Its reserves of rare earth rank first in the world, its verified reserves of coal account for one-fourth of China's total, and its verified reserves of niobium, molding sand, Iceland spar, and agate all rank first in the country. Its reserves of iron, copper, gold, mirabilite, and graphite are also extremely abundant. Its forests account for one-seventh, and its timber one-fourth of China's total. Inner Mongolia's animal husbandry is well-known at home and abroad. Its output of pork, beef, and mutton totaled 566,000 tons in 1991, and goat and sheep wool, hides, camel hair, beef, and mutton are its major animal by-products. Inner Mongolia's agriculture has also developed by leaps and bounds, with its grain output totaling 9.58 million tons in 1991. Its tourist resources with northern China national characteristics is also being developed. Since reform and opening up started, Inner Mongolia's industry has expanded rapidly, and a fairly complete industrial system consisting of iron and steel, coal, machinery, animal by-product processing, metallurgical, building material, and chemical industries has taken shape. Tianjin is an important industrial and commercial city and a port opened to the outside world. Its advantages lie in its port, its development zone, its bonded zone, scientific and technical personnel, the processing industry, and, in particular, light and textile industries. Its tertiary industry is also fairly developed. Inner Mongolia and Tianjin are geographically very close, and their transportation is convenient. When they supplement each other with their respective advantages and further strengthen their economic and technological

cooperation, they will help in optimizing the organization of the essential elements for production, in their exchanges of materials, in promoting each other, and in achieving common prosperity and development.

Chairman Bu He said: Tianjin has rendered great assistance and support to Inner Mongolia for a long period of time. Inner Mongolia and Tianjin have a substantial foundation and broad prospects for their economic and technological cooperation. We will make very good use of Tianjin's port, the bonded zone, scientific and technical personnel, and other advantages to facilitate the development of the export-oriented economy. Meanwhile, we also hope that Tianjin will develop Inner Mongolia's energy resources and raw materials with us and actively exploit its own advantages and ours to achieve common development.

Mayor Nie Bichu said: During our present emulation and observation activities and exploration of ideas for further cooperation in the Inner Mongolia Autonomous Region, we have learned many things, broadened our field of vision, and enhanced our understanding of Inner Mongolia's advantages. Inner Mongolia has plenty of treasures both on the surface and underground and has accumulated many successful experiences in economic construction. We will bring its good methods and successful experiences back to Tianjin. It is very important for us to supplement each other. We should strengthen our exchanges and do more practical work to make our relations closer and our prospects for cooperation even broader.

As an important port city in northern China and the major import-export port of Inner Mongolia, Tianjin has the responsibility to serve Inner Mongolia's economic development well.

During the visit, both sides also conducted study of the ideas for their regional economic cooperation and the lateral ties of their enterprises. They also held discussions on cooperation in the production of energy resources, plywood, ceramic tiles, and furnace burden; the technical cooperation in woolen textile and leather; and other specific projects in commerce, real estate development, and border trade.

Northeast Region

Yue Qifeng on Shifting Enterprise Mechanisms

SK0110084492 Shenyang Liaoning People's Radio
Network in Mandarin 1030 GMT 29 Sep 92

[Text] At the provincial work conference concluded on 29 September, Governor Yue Qifeng delivered a speech on implementing the regulations of having state industrial enterprises shift their business mechanism. He particularly stressed in his speech that by displaying the spirit of racing against time, we should seize the current favorable opportunity to successfully implement the regulations of having the state industrial enterprises shift

their business mechanism and adopt every possible way and means to boost the state enterprises and particularly the state-run large- and medium-sized ones.

Yue Qifeng said in his speech: We should emancipate our minds, change our ideas, and rapidly stir a great upsurge in studying and implementing the regulations. Only by regarding the important speeches of Comrade Deng Xiaoping as a guide, eliminating the leftist and rightist influence, and fostering brand-new ideology and concepts that are suitable to the socialist market economy, can we truly and thoroughly implement the regulations. A good job should be done presently in handling the following various issues: First, efforts should be made to totally eliminate the confused understanding on the enterprise law. Second, efforts should be made to thoroughly remove the outdated concept of the product economy, which has cropped up in the systems of unitary plans; and to firmly foster the concept of market competition, the concept of economic results, and the concept of specialized and socialized mass production. Third, the government should thoroughly remove its traditional consciousness of giving priority to management and foster the idea of serving enterprises.

Yue Qifeng also said: We should encourage enterprises to shift their business mechanism while implementing the regulations and to pave a road with less investment, high output, and rapid accumulation. The shifting of their business mechanism has a bearing not only on the existence and development of every enterprise, but also on whether the province's economy can be rapidly improved to a new level. Although the economic situation throughout the province differs in thousands of ways, various localities must regard the work of increasing economic results as a center and do a good job in organizing production and operation by proceeding from their reality and turning in the direction of both domestic and foreign markets. He said: Enterprises should be bold, using the right imposed on them by the regulations to protect themselves. They should also be bold by resisting the acts of finding various pretexts to retain or relax the regulations on imposing the self-determination right on them. By no means should they shrink back as soon as encountering interventions.

Yue Qifeng also pointed out in his speech: Governments and departments at all levels should first standardize their behavior in line with the provisions set in the regulations with regard to successfully conducting macro management and micro decontrol. Things that can be done by grass-roots level units should be done by them. They should thoroughly delegate rights to grass-roots level units and refrain from leaving room for maneuver. They should also refrain from intervening or obstructing the reforms conducted by the grass-roots level units by finding any form of pretext. All units and departments should not retain the 14 self-determination rights imposed by the regulations on enterprises.

Attending the work conference were Quan Shuren, secretary of the provincial party committee, and Wang Guangzhong, chairman of the provincial People's Congress Standing Committee.

Jilin's Lingjiang District Changed Into County

SK3009132492 Changchun JILIN RIBAO in Chinese
16 Sep 92 p 1

[Text] The provincial people's government issued a circular on 8 September, which indicates that with the State Council's approval and the written reply given by the Ministry of Civil Affairs, the provincial people's government decided to change Lingjiang District in Hunjiang city into a county. After the conversion, the county's administrative region and government seat remain unchanged and no organs and staffers will be added.

Northwest Region

Gansu Secretary Addresses Mobilization Meeting

HK0210020692 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 25 Sep 92

[Excerpts] The provincial party committee and government called a provincial radio and television mobilization meeting on promoting industrial production, transport service, and enterprise reform, at the provincial government assembly hall this afternoon.

The meeting called on the broad masses of workers and staff of the industrial and transportation fronts to brace their spirits, take immediate action, and work hard in the fourth quarter to accomplish all set tasks for 1992 to greet the 14th CPC National Congress with brilliant exploits.

The meeting was presided over by provincial party committee Secretary Gu Jinchí. Li Wenzhi, provincial planning commission vice chairman, briefed the audience on Gansu's economic condition in the last eight months. Governor Jia Zhijie arranged the economic work for the fourth quarter. [passage omitted]

In his speech, provincial party committee Secretary Gu Jinchí called on the people throughout the province to further free themselves from old ideas, raise their ideological level, and boost tertiary industry through deepening reform.

Gu Jinchí said: At present, we are coming up against a series of grave difficulties. Scientific and technological achievements are slow in transforming into productive forces; information flow takes a long time; the system serving production leaves much to be desired; people have difficulties in sending their children to school, in [words indistinct], in seeing a doctor, in making a telephone call, and in traveling; and circulation in rural areas is impeded.

Under the circumstances, Gu Jinchí called on authorities in all localities to analyze problems, have their thinking clarified, bring every positive factor into play, smash the closed and unitary industrial development pattern characterized by large and all inclusive, as well as small and inclusive, step up infrastructural development, nurture and improve the market system, stimulate industrialization and commercialization of new and developing trades, vigorously develop industries providing labor service, and expand socialized service to meet the needs of production and people's daily life.

Governor Jia Zhijie stressed at the meeting: The key to promoting Gansu's industrial production and transport service lies in the state of mind of leading cadres at all levels and in our work performance. The development of industrial production and transport service this year is better than previous years. The realized profits and taxes province wide for the January-August period hit 2.047 billion yuan, up 12.05 percent over the same period last year. However, the readjustment of product mix and of industrial structure fails to measure up to our expectations. The possession of funds is on the high side [as heard]. Industrial development in various localities remains uneven. We must pay great attention to and solve all these problems in time. [passage omitted]

Commentator on 'Bold' Selection of Young Cadres

OW3009120492 Urumqi XINJIANG RIBAO in Chinese
14 Sep 92 p 1

[Article by unidentified commentator: "A Task of Great Urgency—On Bold Selection of Outstanding Young Cadres"]

[Text] Reform, opening up, and economic construction in Xinjiang have entered a new stage of development. Now Xinjiang is in a new historical period of wide opening-up, great change, and extensive development. Comrade Deng Xiaoping pointed out: "In a sense, people are the key to whether or not China can handle its own affairs well; whether or not socialism, reform, and the open policy will be upheld; whether or not the economy can be developed faster; or whether or not the country can maintain long-term stability." "People" include party members and cadres, especially members of leading bodies which make decisions and play a leading role. According to the party's strategic requirements, we must persevere in its basic line for a long time to come, and we shall not waver in this respect for a hundred years. To do so, it is necessary to train generations of socialist successors who persevere in the party's basic line. Actual conditions in Xinjiang show that leading cadres at and above the county level are old, and most of them will have to retire from their leading positions in the last seven or eight years of this century. Moreover, because the "cultural revolution" caused a break in education, it is now very difficult to select people from "few qualified personnel" to staff leading bodies. This has affected our work and undertakings.

Therefore, it is a task of great urgency for party committees and organization departments at various levels to vigorously and boldly select outstanding young cadres. We must have a sense of urgency and responsibility in this respect; otherwise, missing the present opportunity because of a delay may result in making gross historic mistakes.

In fact, Xinjiang has qualified personnel. The key to this is to further emancipate the mind, to adopt a new concept of employing people, to be tolerant toward others, to be capable of knowing people, and to be bold in employing people. A large number of outstanding young cadres will appear before us provided leaders at various levels further emancipate their minds, adopt new ideas, and act in a bolder and faster way.

In selecting outstanding young cadres, we must resolutely do away with such ideas as ranking cadres according to their seniority, demanding perfection, and selecting personnel in a mysterious way or behind closed doors. In selecting qualified personnel, we should not stick to only one pattern. We should select cadres with both ability and political integrity, with stress on their essential aspects and potential. Ranking personnel according to their seniority and demanding perfection can only stifle real talent and affect our work adversely.

Of course, we should not select outstanding young cadres in an oversimplified or unrealistic way, nor should we spoil things by excessive enthusiasm. We must maintain the criterion of having ability and political integrity—with stress on both ability and political integrity. In observing and using cadres, we should pay attention to their knowledge of Marxist theory, political stand, party spirit, and way of thinking; we should pay attention to whether or not they always unswervingly support and

implement the party's basic line of "one central task and two basic points"; we should pay attention to whether or not they have the ability, courage, and resourcefulness to carry out reforms and keep forging ahead; we should pay attention to whether or not they can creatively implement the party's basic line; we should pay attention to whether or not their experiences and professional knowledge and their leading, organizing, and decision-making abilities can meet the requirements of the posts they will be assigned to; we should pay attention to their capability of coping with complicated contradictions and emergencies; and we should also pay attention to their devotion to work, their sense of responsibility, their spirit of doing solid work, and work performance.

In selecting outstanding young cadres, we should have the courage to break free from conventions. We should take a correct attitude toward cadres' age, qualifications, records of service, diplomas, educational levels, eloquence, ability, connections, and achievements in work. If a cadre is truly outstanding, he should be selected on the basis of his educational level, ability, and achievements in work instead of his diploma, age, and connections. We should try our best to prevail over all dissenting views and be bold in selecting and using cadres.

"There is no pure gold, and no one is perfect." Selecting and training outstanding young cadres is a strategic plan of vital importance to maintain long-term stability in the country as well as an important measure to prevent "peaceful evolution." Party committees and organization departments at various levels, with a strong sense of responsibility, should be determined to vigorously do a good job in selecting and training outstanding young cadres; they should start this work from the basic level and do it little by little. They should act in the spirit of reform and creatively accomplish their organizational tasks with flying colors.

Hao Critical of 'Two China' Proposal

OW0210015692 Taipei Voice of Free China in English
0200 GMT 1 Oct 92

[From the "News and Commentary" program]

[Text] Premier Hao Po-tsun on Tuesday slammed the lawmaker from his party for proposing the government adopt the two-China policy. Hao said during a parliamentary meeting that it is impractical to promote such an idea in response to a proposal by legislator Hung Chao-nan from the ruling KMT [Kuomintang]. Hao added that the proposal brings nothing but disadvantages in the short term and said that if the Government adopts such a policy disaster will come tomorrow.

Hung, during a general interpellation session, proposed to the Premier that the government adopt the two-China policy in order to gain world recognition and join international bodies. He said the government treats Peking as a political entity which does not affect its status as a sovereign nation. However, the ROC [Republic of China] considers itself a political entity. We will only automatically demote ourselves as a colony which hampers the island's position as a country with independent sovereignty, according to Hung.

Hao reiterated the government's stand on its one-China policy, saying what Hung proposed will never be accepted by the U.S., Japan, or other countries.

Premier Urges Adapting to GATT Accession

OW0210083692 Taipei CNA in English 0751 GMT 2 Oct 92

[Text] Taipei, Oct. 2 (CNA)—Premier Hao Po-tsun Thursday urged the ministries concerned to map out measures as soon as possible in order to cope with various effects which might arise from Taiwan's future accession to the General Agreement on Tariffs and Trade (GATT).

Taiwan, as a modern, free, and democratic country, should not hesitate to open and protect respectively what it has to, he noted.

The GATT decided at its council meeting Sept. 29 to set up a working party to screen Taiwan's membership application, which means the country has been accepted as an observer of the world trade forum.

Commenting on the controversy of Taiwan's future status in the GATT, the premier stressed that the government will not accept any unreasonable arrangement. "We must safeguard our national dignity and interests," he said.

Hao made the remarks at a cabinet meeting after hearing a report by Economic Affairs Minister Hsiao Wan-chang on Taiwan's bid to join the GATT.

The minister reported that the future status of Taiwan's representatives to the GATT, which will enjoy the diplomatic privileges that the world organization has agreed with the Swiss Government for all its member countries, is a "technical problem." "We will follow the usual practice in international diplomacy to handle the problem," he said.

He dismissed as "totally unnecessary" an "additional" statement by GATT spokesman David Woods, who told the press in Geneva Sept. 29 that Taiwan's status in the GATT will be similar to those of Hong Kong and Macao.

Taiwan applied for GATT membership as a "separate customs territory" in accordance with article 33 of its charter, Hsiao explained, noting that "our status is completely different from those of Hong Kong and Macao, which were recommended into the Geneva-based organization by their respective suzerain states—Britain and Portugal."

He also analyzed the advantages and disadvantages of Taiwan's GATT membership. Five years of cautious studies by the government agencies concerned came to the conclusion that the membership will surely benefit the country's economic development in the long run, he said.

While many people here fear that further market openings might hurt domestic agriculture and service businesses, the minister said the situation shall vary with the results of future trade negotiations with other GATT member countries.

KMT Secretary General Leaves for IDU Meeting

Strengthened Ties Sought

OW0110102092 Taipei CNA in English 0755 GMT 1 Oct 92

[Text] Taipei, Oct. 1 (CNA)—Sung Chu-yu, secretary-general of the ruling Kuomintang [KMT], left for Madrid Wednesday [30 September] evening to attend the fifth party leaders meeting of the International Democratic Union (IDU). Sung said before departure that he will try to strengthen the KMT's relations with foreign political parties at the two-day conference on Oct. 2-3. He also intends to invite political party leaders of Western countries to visit Taipei. Sung will sign the Union Charter for the KMT to join the organization as a full member.

Madrid Arrival Reported

OW0210090192 Taipei CNA in English 0757 GMT 2 Oct 92

[Text] Madrid, Oct. 1 (CNA)—Sung Chu-yu, secretary general of the Kuomintang (KMT) of the Republic of China [ROC], arrived here at noon to attend the Oct. 2-3 meeting of International Democratic Union (IDU) party chiefs.

The ruling party was admitted to the IDU early this year at the union executive committee's recommendation.

Sung said the KMT was able to join the union because of the ROC's political and economic achievements which have been widely recognized by the international community.

The KMT's joining the IDU also signifies that the ROC has been able to surmount political difficulties and to open a new horizon in party diplomacy, Sung said.

Sung and other ranking KMT officials were warmly greeted at the airport by Chang Te-hui, ROC representative in Spain, and overseas Chinese here.

During the conference, Sung is expected to contact other party leaders to improve ties with their countries.

He said several participating party chiefs from Latin America and west Europe are friends of president Li Teng-hui, chairman of the KMT.

"I will forward president Li's regards to them and invite them to visit the Republic of China," Sung told Taiwan reporters.

An IDU committee met behind closed doors Thursday to draft a joint statement, which is expected to be adopted at the Oct. 3 conference.

Committee sources told the CNA [CHINA NEWS AGENCY] that in the statement, IDU party chiefs will praise the Republic of China's outstanding accomplishment in democratic reforms.

The conference will also show grave concern about the human rights situation in Mainland China, according to the draft statement.

The IDU, established in 1983 to advocate liberal economic and democratic political systems, aims to promote peace, justice and the rule of law.

The IDU now has 28 members, 15 of which are ruling parties. It members include parties in the United States, Britain, Germany, and Japan.

Hong Kong

Trade Official Welcomes Senate MFN Decision

OW0210082092 Beijing XINHUA in English 0801
GMT 2 Oct 92

[Text] Hong Kong, October 2 (XINHUA)—Hong Kong's Acting Secretary for Trade and Industry Denise Yue welcomed the news early this morning (Hong Kong time) that the U.S. President's veto of the Most Favored Nation (MFN) conditionality bill had been sustained in the Senate.

"The vote fell short of the two-thirds majority required to override the Presidential veto. The bill is dead," she said.

Unfortunately, this is not the end of the matter. The President has to renew MFN trading status for China every year under present U.S. law. He has to do so by 3 June every year.

"We will continue to emphasise to the U.S. administration and members of the Congress just how damaging withdrawal or conditioning of China's MFN status would be to Hong Kong," she said.

The presidential veto of the bill attaching conditions to the renewal of China's MFN trading status has been sustained as the U.S. Senate vote on Thursday was 59 to 40. The House of Representatives voted by 345 to 74 to override the veto on September 30.

Airport Committee Expected To Meet Before 21 Oct

HK0210121192 Hong Kong AFP in English 1034 GMT
2 Oct 92

[Text] Hong Kong, Oct 2 (AFP)—The Sino-British Joint Liaison Group airport committee is expected to meet before Governor Chris Patten's October 21 trip to Beijing. Zhang Junsheng, a vice-director of the Xinhua News Agency said here Friday.

Speaking to reporters at a National Day celebration hosted by the local media industry, Zhang said the Chinese will respond to the new British proposal to use property revenue from a rail link to help finance the project.

Without mentioning names or details, the defacto embassy official also advised the Hong Kong government not to react strongly to press reports quoting sources and not to take for granted the sources were Chinese.

Patten, in an angry outburst last week, blasted China for criticising the new airport proposal after an English language daily quoting a source close to Beijing said the proposal would breach the 1984 Sino-British Joint Declaration, among other things.

Official: Speedboat 'Intrusion' 'Accidental'

HK0110111092 Beijing ZHONGGUO XINWEN SHE
in Chinese 1415 GMT 30 Sep 92

[By Hu Yaohua (5170 5069 5478)]

[Text] Guangzhou, 30 Sep (ZHONGGUO XINWEN SHE)—During an interview with this reporter this afternoon, an official in charge of the Guangdong Public Security Department said that the intrusion by a Zhuhai City coastal defense speedboat into Hong Kong waters on 25 September was purely accidental. He hoped the significance of this chance occurrence would not be distorted and exaggerated, thus affecting cooperation between Guangdong and Hong Kong in their joint operations against smuggling.

According to the official in charge, around 1100 [0300 GMT] on 25 September, the Wanshan group, under the Zhuhai City Border Defense Bureau, was informed that more than 10 fishing boats had been found within Chinese waters to the northeast of Dangan Island and were suspected of carrying contraband household electrical appliances. The Wanshan group under this border defense bureau immediately sent four policemen, headed by Ou Jianzhong, deputy head of the group, to the scene on board the speedboat Gongbian-1207. A smuggling boat was seized later and some contraband color television sets and air conditioners were found on board. Two petty officers from the speedboat were ordered to escort the captured smuggling boat, while the speedboat continued to chase after other smuggling boats.

The engine of the captured smuggling boat suddenly broke down after about five minutes of being escorted by the two petty officers. As a consequence, the boat could only drift in the sea, and finally entered the Hong Kong waters by accident. Around 1320 [0520 GMT], Hong Kong Marine Police boat No. 66 approached the escorted smuggling boat. The two Chinese petty officers declared their identity as border guards from Zhuhai and explained to the Hong Kong side that the smuggling boat was captured within Chinese waters and later drifted into Hong Kong waters because of engine failure. The Hong Kong Marine Police boat then continued to keep watch over the smuggling boat.

Around 1300 [0500 GMT], the Chinese speedboat Gongbian-1207 returned from chasing the other smuggling boats. As the policemen aboard did not find the captured smuggling boat, they began to look for it in the vicinity. At that moment, Hong Kong Marine Police boat No. 71 approached the speedboat and shouted at the speedboat at a distance of 50 meters. Because of wind interference, waves, and the sound of the engines, the Chinese policemen on board the speedboat could not hear what the Hong Kong marine policemen were crying. Around 1350 [0550 GMT], the Chinese speedboat found the captured smuggling boat drifting within Hong Kong waters. In order to find out what had happened to the two missing policemen on duty, the speedboat moved closer to the smuggling boat. The Chinese policemen once again explained to the Hong Kong police that the

smuggling boat had originally been captured within Chinese waters, and it drifted into Hong Kong waters just because of engine breakdown. The Hong Kong marine police personnel showed understanding in the case. However, at that time, the Chinese side saw their Hong Kong counterpart snapping a camera at them. They asked the Hong Kong side to stop, but the latter continued to photograph. So two Chinese policemen, holding pistols, boarded the Hong Kong marine police vessel No. 66 and asked the Hong Kong side to turn over the film. Witnessing this, Ou Jianzhong, deputy commander of the border defense group, who was on board speedboat Gongbian-1207, ordered the two policemen to immediately return to their own boat. As the Chinese police insisted again and again on the submission of the film to them, the Hong Kong marine police handed the camera over to the Chinese police. The Chinese personnel handed the camera back to the Hong Kong marine police and requested the latter to take the film out themselves. The film was finally taken out by the Hong Kong marine police personnel and exposed to the light. The Chinese police took the roll of exposed film and threw it into the sea. The two sides finally reached a compromise by 1545 [0745 GMT], and the smuggling boat was turned over to the Hong Kong side. The Chinese speedboat Gongbian 1207 then picked up the two men on board the smuggling boat and left for its home base.

The official in charge of the provincial police department noted that the Guangdong authorities have formulated clear regulations that strictly prohibit vessels on duty from entering Hong Kong waters when carrying out antismuggling missions near Hong Kong waters. The personnel on board speedboat Gongbian 1207 committed a mistake in intruding into Hong Kong waters without permission, although they were looking for some colleagues with whom they were out of contact. What is more, the individual policemen on duty were wrong in boarding a Hong Kong marine police vessel in an attempt to take away a roll of film by force. The official said they had instructed the Zhuhai City border defense subbureau to handle the case seriously and take due action against those involved in it; during talks in Shenzhen between Hong Kong and Guangdong police yesterday afternoon, we already apologized to the Hong Kong side for the incident.

The official pointed out that this incident was purely a chance occurrence. The direct cause was that a smuggling boat captured within Chinese waters happened to be out of control after engine failure; that the boat drifted into Hong Kong waters was beyond human control. We are afraid that even the Hong Kong police will not be able to prevent such cases from recurring in the future. When covering this incident, however, some Hong Kong media focused their attention only on the apparent evidence of the Guangdong speedboat's intrusion into Hong Kong waters without trying to find out the specific causes. Such news coverage is not objective, comprehensive, and fair.

At the same time, the official stressed that smuggling by sea is rampant at the moment. In recent years, Guangdong and Hong Kong police have been cooperating well and fruitfully in antismuggling operations. It is hoped that cooperation in this regard will continue and will help to safeguard prosperity and stability both in Guangdong and Hong Kong.

Further on 'Incursion'

HK0110055992 Hong Kong SOUTH CHINA
MORNING POST in English 1 Oct 92 p 3

[Report by Luisa Tam]

[Text] Last Friday's [25 September] incursion by a Zhuhai patrol craft was "purely accidental" because the craft was tracing a suspected smugglers' vessel which drifted into Hong Kong waters after an engine failure, a Guangdong public security official said yesterday.

In the first detailed account of the incident, the official said the fishing vessel had first been intercepted in Chinese waters. He said the incursion was nonetheless a breach of regulations.

It was also revealed yesterday mainland officials denied several hours before last Friday's incursion claims about a previous incident in which 10 warning shots were fired at a fishing vessel inside local waters.

China acknowledged that shots were fired in an incident on August 11 but rejected claims it had illegally entered Hong Kong waters.

Although the response from the Chinese was relayed to the Hong Kong Government early last Friday, it was not released until yesterday. A police source said the news could have been held back in order to prevent embarrassing the Chinese and to avoid confusing the issues. But a government official said the delayed release of the denial of the August 11 incident was because officials had their hands full handling the Waglan Island incursion.

Several hours after the denial came through, armed Chinese security personnel entered Hong Kong waters and used automatic weapons to threaten local Marine Police. They also destroyed a roll of film. China has apologized over the incursion.

The Guangdong public security bureau official said in an interview with the CHINA NEWS SERVICE Chinese patrol officers had intercepted the fishing vessel inside Chinese waters about 11 am last Friday.

Electrical appliances were allegedly found and two officers from patrol craft No 1207 were sent to stand guard on the vessel while the craft searched elsewhere.

The engine of the fishing vessel failed five minutes later and it drifted into Hong Kong waters. At about 1.20 pm, it was approached by Hong Kong Marine Police launch PL66. The Chinese explained how they had ended up in local waters and as a result PL66 was standing by.

Meanwhile, craft 1207 found it had lost the fishing vessel as it returned to the area and began searching nearby waters. At 1.50 pm, the Chinese craft discovered the fishing vessel was drifting in Hong Kong waters and decided to get closer to check the safety of the Chinese officers on board.

Officers noticed photos being taken. Failing to convince Hong Kong police to stop this, two officers holding guns boarded PL66 and demanded the film, which was destroyed. It was agreed at 3.45 pm that the fishing vessel should be handed over to Hong Kong authorities.

The Guangdong official said officers responsible for the dispute would be severely dealt with. Meanwhile, a spokesman for the Hong Kong Government said China insisted the August 11 incident did not take place in Hong Kong waters but acknowledged other facts.

The Chinese agreed at least 10 warning shots were fired at a Hong Kong vessel by a mainland patrol craft south of Sham Wan, Lamma Island. The crew was later taken to Wai Ling Ting—a Chinese port south of Cheung Chau—for questioning, then released.

Ships Urged To Be on Lookout for 'Pirates'

*HK0210094192 Hong Kong SOUTH CHINA
MORNING POST in English 2 Oct 92 p 3*

[Report by Greg Torode]

[Text] Ships leaving Hong Kong were last night warned to be on the lookout for pirates after a Hong Kong-managed tanker reported being fired on in the South China Sea off Luzon by bandits claiming to be Chinese Naval officers.

The Hong Kong captain of the 48,000-tonne World Bridge told his managers, World-Wide Shipping, that armed men last Friday riddled the stern with bullets and threw "giant" firecrackers on the deck of the ship, whose cargo included kerosene.

The men opened fire after Captain Yip Yin-shui refused to stop his vessel, positioned about 150 nautical miles northwest of Luzon.

The gang of 15 spoke in Mandarin and unfurled a Chinese flag, saying they wanted to come on board and inspect the cargo.

Captain Yip ordered the ship full speed ahead and the bandits gave up after a 45-minute chase in their 15-metre pleasure craft.

The director of the Hong Kong Shipowners' Association, Mr Michael Farlie, said the captain described the bandits' uniforms as "unbelievable" but there were no further specifics.

The captain also noted they lit the Guangzhou-made Double Happiness brand of firecrackers from cigarettes in their mouths.

Mr Farlie said: "Despite their apparent sophistication it appears the attackers were extremely ignorant of the dangers of their actions and simply masquerading as members of the Chinese Navy.

"They didn't appear to have grappling hooks or any other method of getting aboard, so the captain seemed very cool and sharp with his actions. It appears they expected him to lower a ladder and let them on.

"Certainly we are concerned. We've never had reports of ships being attacked off the Philippines before and this group...seem capable of operating a good way from shore, which is another worry."

The bullets put holes in the ship's rear superstructure while several firecrackers did not explode.

Mr Farlie said he hoped the incident was an isolated one and it did not appear connected to the plague of attacks in the Strait of Malacca earlier this year.

Sources in the shipping industry said the only recent act of piracy related to a report in May by the BBC out of Moscow, saying a Russian warship had been attacked by pirates near the Philippines. The warship opened fire to scare off the attackers but no official report was ever lodged.

The Panamanian-registered World Bridge, operated from Singapore, is part of the fleet built up by the late shipping magnate Sir Yuekong Pao and is bound for Vietnam from Japan. It is due to reach Vietnam today.

Mr Farlie said warnings had been issued in Hong Kong and other Southeast Asian shipowners' associations had been informed. The Marine Department [Hong Kong Government agency] was also aware of the incident, industry sources said.

CCTV Director Discusses New Channel

*HK0110155292 Hong Kong WEN WEI PO in Chinese
1 Oct 92 p 11*

["Exclusive Interview" with Yang Weiguang (2799 0251 0342), director of China Central Television Station (CCTV), by staff reporter O Shan-shan (6759 3790 3790): "Interviewing Yang Weiguang, Director of China Central Television Station, on Channel Four Beamed to Hong Kong and Macao as of 1 October 1992"]

[Text] Today is National Day, an occasion worth celebrating. As of today, the residents in Hong Kong and Macao can watch China Central Television's [CCTV] channel four programs on ordinary home antennas. The newly opened CCTV channel four will become one of the communication bridges linking the Chinese mainland with Hong Kong and Macao compatriots.

In an interview with our staff reporter yesterday, CCTV Director Yang Weiguang, who arrived in Hong Kong with a delegation the other day, gave some information on this "new bridge."

Make It More Entertaining and Informative

Yang Weiguang told our reporter: "CCTV's main purpose in opening channel four is to provide better service and more choices for the audience. Channel four will focus on entertainment and will strengthen news coverage of Hong Kong and Macao to satisfy the demands of the mainland audience, who are interested in what happens in Hong Kong and Macao. It will also help Hong Kong and Macao compatriots follow developments on the mainland."

Yang Weiguang said: Channel four's broadcasting hours are from 0830 to 0010, running programs approximately 15 hours each day. The new channel has the following features: First, entertainment programs will be strengthened to meet audience demand for serial shows. Episodes from two serials will be shown every evening. The first serial presented is "A Journey to the West." Second, comprehensive cultural entertainment programs will be strengthened, as the opportunities for making large-scale comprehensive cultural entertainment programs in conjunction with television stations from neighboring regions are bound to increase steadily. Third, the coverage of news from Hong Kong, Macao, and Taiwan will be strengthened. In the channel four news hour at 2200 every evening, the coverage on Hong Kong, Macao, and Taiwan compatriots' activities in Beijing and the activities of mainlanders in Hong Kong, Macao, and Taiwan will take up more time. There will also be English newscasts on channel four, to give the fullest play to the role of linking up the mainland with Hong Kong, Macao, and Taiwan. Fourth, special features and information programs will be made, such as "The World Sharing This Time" (reporting current affairs), "Vast Land of China" (introducing the mainland's economic development, new tourist attractions, investment environment, and so on), and "Travelers" (in English, supplying tourist information).

Costing Tens of Millions of Yuan

In response to a question, Director Yang said: "For CCTV, the purpose of opening channel four is to provide service. Getting this channel started cost tens of millions of yuan, and the money was primarily spent on the transmission project. It took one year to make all the preparations." This channel is relayed synchronously through ASIAT-1 in NTSC, ST-14 in PAL, and the "Zhujiang Delta Broadcasting and Television Coverage Project." The audience in the mainland can watch this new channel with better reception via ground receiving stations. For the Zhujiang Delta (including Hong Kong and Macao), ground transmission stations have been set up in Shenzhen, Zhuhai, and Zhongshan, through which satellite-transmitted signals are relayed so that the new channel can be received with ordinary home antennas. Taiwan compatriots, however, cannot watch this channel without using satellite receivers.

CCTV's main "task" in opening channel four is to turn it into a bridge of communication. Yang Weiguang revealed that preparations are being made for a Hong

Kong Basic Law evening show as an information program. Regarding the effort to do a better job of communication work, in view of the good cooperation between CCTV and television stations in Hong Kong and Macao in the past, they plan to meet with Hong Kong's television stations during their current visit and discuss ways to strengthen cooperative relations, exchange programs, exchange actors, and so on, apart from buying television programs. The recent Mid-Autumn Festival evening entertainment show is a good example. There will be more such opportunities in the future.

Expand News Bureaus in Hong Kong and Macao

Yang Weiguang also said: With the expansion of the coverage of news in Hong Kong, Macao, and Taiwan, the plan to double the reporting manpower and equipment of CCTV's news bureaus in Hong Kong and Macao will be implemented.

Channel four is oriented toward the audience in the mainland, Hong Kong, Macao, and Taiwan at the same time. It is believed that the opening of this channel on National Day has special significance!

Central Radio Transmits 'Seventh Program'

HK0110153392 Hong Kong WEN WEI PO in Chinese
1 Oct 92 p 11

[Report: "Seventh Program of Central People's Broadcasting Station, Which Officially Starts Broadcasting on 1 October, Can Be Heard in Hong Kong and Macao"]

[Text] The Central People's Broadcasting Station will formally begin transmission of its seventh program today. The program can be heard in the Zhujiang Delta area and in the Hong Kong and Macao region. It will be on the air for 21 hours continuously, from 0500 in the morning to 0200 past midnight everyday. The program will include news and current events, all kinds of special features, as well as a fair amount of cultural and entertainment shows, such as "Midnight Book Gallery," "Divine Land's Music Hall," and "Dance Stage on the Air." The seventh program of the Central People's Broadcasting Station will be transmitted at 1215 kilohertz on mediumwave and at 104.9 megahertz on frequency modulation.

Refugees Leave Hong Kong, Resettle Overseas

OW0110134592 Beijing XINHUA in English 1223
GMT 1 Oct 92

[Text] Hong Kong, October 1 (XINHUA)—A total of 216 Vietnamese refugees left Hong Kong for resettlement overseas in September.

Of those who left for overseas resettlement, 12 departed for Australia, 22 for Canada, two for Sweden, 10 for Norway, one for Germany, 15 for the United Kingdom, and 63 for the U.S.

Meanwhile, a total of 91 refugees left for the regional transit center in the Philippines to await resettlement overseas.

Macao

Guangdong Governor Attends National Day Fete

OW0110120192 Beijing XINHUA in English 1127
GMT 1 Oct 92

[Text] Macao, October 1 (XINHUA)—A grand reception marking the 43rd anniversary of the founding of the People's Republic of China was held in Macao Wednesday [30 September].

Governor of Macao Vasco Joaquim Rocha Vieira and his wife and Zhu Senlin, governor of Guangdong Province, joined other 1,000 people at the reception which was hosted by the Macao branch of the XINHUA NEWS AGENCY.

Addressing the reception, Guo Dongpo, director of the Macao branch of XINHUA NEWS AGENCY, said fundamental changes have taken place in China since the founding of New China in 1949. The country's economic reform and modernization drive has entered into a new era.

Referring to relations between China's mainland and Macao, Guo said the Chinese and Portuguese governments still keep a friendly and cooperative relationship.

Macao's economy showed a rising momentum and so did developments in other fields. Economic and cultural links between Macao and the neighboring Guangdong Province have become closer with each passing year, he said.

Guo noted that all these laid down a basic guarantee for Macao's stable economic development and smooth transfer of power.

He expressed the hope that the Chinese and Portuguese Governments would continue to strengthen bilateral consultation and cooperation and create favorable conditions for the smooth transfer of power.

In his toast, the governor of Macao wished China ever-growing prosperity.

Concludes Visit, Departs

OW0110115592 Beijing XINHUA in English 1124
GMT 1 Oct 92

[Text] Macao, October 1 (XINHUA)—Governor of southern China's Guangdong Province Zhu Senlin has ended his three-day visit to Macao and left here for home Wednesday [30 September].

While in Macao, Zhu visited the Macao International Airport under construction and some other large civil engineering projects. He also exchanged views with the governor of Macao on enhancing bilateral economic, cultural and trade links.

Zhu revealed that Macao and Guangdong had agreed to establish a semi-official organization for the promotion of economic cooperation between the two sides.

They also agreed that Macao will be linked with the future Guangzhou-Zhuhai railway and the Guangzhou-Zhuhai expressway.

Referring to construction of the Macao International Airport, Zhu said Guangdong will supply sand needed for the project.

[Macao Governor General] Rocha Vieira described his meeting with Zhu Senlin as "very beneficial." He said the two sides had had a better understanding on many issues.

He expressed the hope that bilateral contacts, both governmental and nongovernmental, would be strengthened in future.

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